Supreme Court, U.S.
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No. _____

08-706 NOV 24 2008

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IN THE

Supreme Court of the United States

EASTERN UNION, INC., ET AL.,

Petitioners

V.

WESTERN UNION HOLDINGS, INC., ET AL.,

Respondents

On Petition For Writ Of Certiorari
To The United States Court of Appeals
For The Eleventh Circuit

PETITION FOR WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether a lack of evidence of actual confusion in a trademark infringement analysis under the Lanham Act should be weighed as a factor against a finding of likelihood of confusion, as held by most federal circuits, or simply disregarded as having no bearing on the analysis, as held by other circuits, including the Eleventh Circuit in this case.

2. Whether the proper standard of review of a district court's finding of likelihood of confusion in a trademark infringement analysis under the Lanham Act is the "clearly erroneous" standard normally applied to a strictly factual determination, as held by several federal circuits, including the Eleventh Circuit, or a combination of the "clearly erroneous" standard for foundational facts and the *de novo* standard for the weighing and balancing of those foundational facts and the ultimate finding of likelihood of confusion, as held by other circuits.

RULE 14.1(b) LIST OF PARTIES

Defendants-Appellants Below
(Petitioners in this Court):

1. EASTERN UNION, INC.
2. EU FINANCIAL SERVICES, INC.
3. YOUNG CHOE, individually and d/b/a Check Cash Plus
4. EVIAN GROUP, INC.
5. ERIC YOUNG

Plaintiffs-Appellees Below
(Respondents in this Court):

1. WESTERN UNION HOLDINGS, INC.
2. WESTERN UNION FINANCIAL SERVICES, INC.
3. INTEGRATED PAYMENT SYSTEMS, INC.

RULE 29.6 STATEMENT

Pursuant to Supreme Court Rule 29.6, Petitioners Eastern Union, Inc., EU Financial Services, Inc. and Evian Group, Inc. state that they have no parent corporations and there are no publicly held companies that own ten (10%) percent or more of their stock.

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PETITION FOR A WRIT OF CERTIORARI

OPINIONS BELOW

The opinion of the U.S. Court of Appeals for the Eleventh Circuit (App., *infra*, 31a-38a) is unreported. The Order of the U.S. Court of Appeals for the Eleventh Circuit denying rehearing (App., *infra*, 39a) is unreported. The Order of the U.S. District Court for the Northern District of Georgia granting summary judgment, (App., *infra*, 1a-30a), is unreported. The Order of the U.S. District Court for the Northern District of Georgia granting a preliminary injunction, (App., *infra*, 40a-65a), is unreported.

JURISDICTION

The judgment of the U.S. Court of Appeals for the Eleventh Circuit was entered on June 20, 2008. A timely Petition for Rehearing and Rehearing *En Banc* was denied on August 25, 2008. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

Section 32 of the Lanham Act (15 U.S.C. § 1114) provides in relevant part that:

(1) Any person who shall, without the consent of the registrant--

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable in a civil action by the registrant for the remedies hereinafter provided.

STATEMENT OF THE CASE

A. Pre-Litigation Background

Eastern Union, Inc. (hereinafter "Eastern Union") was a Georgia corporation formed in late 2003 that provided financial services in the consumer market.

including traveler's checks, money order and limited money transfer services, with a focus on international consumer money service products and the Korean-American consumer market.

Eric Young is the founder and principal of Eastern Union, and Young Choe is the owner and operator of four money services stores doing business under the trade name "Check Cash Plus" in the Atlanta Metropolitan area. Eastern Union sold its products through Young Choe's storefronts, in conjunction with its affiliates, EU Financial Services, Inc., which provided tax related consumer services including tax return advances/loans and tax preparation services, and Evian Group, Inc., which developed, manufactured and distributed equipment and software to provide technical business solutions in the areas of cash management, security and biometrics.

With the initial provision of its first traveler's checks in 2003, Eastern Union began using the trademark "EASTERN UNION" in the marketing and sale of its financial products.[1] On June 17, 2004, Eastern Union first filed a trademark application with the United States Patent and Trademark Office for the word mark "EASTERN UNION" in connection with traveler's check issuance, payroll accounting services and tax preparation services.[2]

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[1] R. Vol. 5, Doc. 91-2, p. 3, ¶ 11 (Affidavit of Eric Young).

[2] R. Vol. 1, Doc. 1-10 (Complaint, Ex. D).

On February 27, 2006, Eastern Union filed an additional trademark application for the word mark "EASTERN UNION" in connection with banking and financing services with a "first use" date listed as May 2005.[3]

Meanwhile, on or about January 21, 2004, Young Choe, doing business as Check Cash Plus, entered into an agreement with an affiliate of Western Union Holdings, Inc. (hereinafter "Western Union") to become an agent for the provision of Western Union's money transfer services and the issuance of Western Union branded money orders. During the period this agreement was in effect, until May 2006, there is evidence that Western Union's products were sold side by side with the products of Eastern Union in Young Choe's Check Cash Plus stores.[4]

Western Union claims that it did not become aware of the "EASTERN UNION" mark until after it was published in the Official Gazette in January 2006, and did not learn of the use of the "EASTERN UNION" mark until the spring of 2006, despite evidence that Western Union's representatives inspected the Check Cash Plus locations prior to this time and in so doing gave instructions regarding the appropriate placement of Western Union signs in

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[3] R. Vol. 1, Doc. 1-11 (Complaint, Ex. J).

[4] *See* R. Vol. 5, Doc. 91-2, p. 3, ¶ 11 &14, p. 6-7, ¶ 28 & 30 (Affidavit of Eric Young); R. Vol. 4, Doc. 85-3, p. 7-8. (Plaintiffs' Brief in Support of Summary Judgment).

relation to the signs of other products offered at the stores, including Eastern Union branded products.[5]

B. The Litigation and the Preliminary Injunction

Eventually, Western Union terminated its agency agreement with Young Choe and filed an action in the U.S. District Court for the Northern District of Georgia alleging, *inter alia*, trademark infringement under Section 32 of the Lanham Act (15 U.S.C. § 1114), and seeking, among other relief, a permanent injunction barring the use of the "EASTERN UNION" mark.[6] This action, Civil Action File No. 1:06-CV-1408-RWS was filed on June 12, 2006.[7]

On July 19, 2006, Western Union filed a Motion for Preliminary Injunction, and after full briefing and a hearing, the District Court found that Western Union had adequately demonstrated a substantial likelihood of success on the merits, a substantial threat of irreparable injury, that the balance of harms weighed in its favor and that the requested injunction would not disserve the public interest, and the court granted the Motion by an Order

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[5] *See* R. Vol. 5, Doc. 91-2, p. 7-8, ¶ 35 - 36 (Affidavit of Eric Young).

[6] Plaintiffs' other claims are referenced in the opinions and orders of the lower courts, but are not relevant to this Petition.

[7] Jurisdiction was predicated on 28 U.S.C. §§ 1331 & 1338(a).

entered on December 20, 2006. The injunction itself was entered by Order dated January 18, 2007.[8]

C. The Ruling on Summary Judgment

Thereafter, on February 21, 2007, Western Union attempted to file an untimely Motion for Summary Judgment on All Counts in the Complaint. This Motion was ultimately allowed by the District Court and was redocketed as timely filed on July 11, 2007. Defendants opposed this Motion by Response filed on August 20, 2007, and the Motion was heard by the court on August 28, 2007.

By Order entered on September 7, 2007, the District Court denied summary judgment on Western Union's claim for trade dress infringement, but granted its motion for summary judgment on the trademark infringement claim.

In reaching this conclusion, the District Court evaluated the likelihood of confusion between Western Union's mark and Eastern Union's mark under the Eleventh Circuit's seven factor test as enunciated in *Alliance Metals, Inc. v. Hinely Industries, Inc.*, 222 F.3d 895, 907 (11th Cir. 2000).

With regard to the first factor, strength of the Plaintiffs' mark, the court found that "WESTERN UNION" was an arbitrary mark entitled to very

[8] The preliminary injunction was later modified, but that modification has no bearing on the issues presented herein.

strong protection, and that there was no genuine issue of material fact on this point. As a result, this was a factor weighing heavily in Plaintiffs' favor.

As to the second factor, similarity of the marks, Plaintiffs argued that "only the first two letters of the first word are different, the second word is identical, the first words of both marks are 'directional indicators' which each end in the same five letters, and that Defendants have displayed their mark in yellow block font on a black background which is virtually identical to the trade dress utilized by Plaintiffs." Defendants pointed out that the names are in fact directional opposites, and that the "EASTERN UNION" mark appears in various formats on different products, including "purple block letters on a pixel screen ... red block letters – money orders, fancy blue letters – travelers checks, and on flyers/web pages, the shape and color of the mark depends on the design of the flyer/website."[9] Nevertheless, the court concluded that no reasonable juror could find other than that the marks were similar, and this factor therefore weighed in favor of Western Union.

For the third factor, similarity between the products and services offered under the marks, Defendants argued that their products and services differed from those of Western Union because (1)

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[9] *See* App., *infra*, 17a (Summary Judgment Order); R. Vol. 5, Doc. 91-2, p. 9, ¶ 39 (Affidavit of Eric Young).

Eastern Union money orders were only offered in Georgia, compared with worldwide money order services with Western Union; (2) Eastern Union's money transfer services were primarily limited to international money transfers to and from South Korea for Korean clientele; (3) Eastern Union's money transfer services were strictly bank to bank transfers, not point to point transfers, for which Western Union is known; and (4) Eastern Union offered traveler's checks, a service which is not provided by Western Union.[10] Notwithstanding these differences, the court concluded that no reasonable juror could find that the products and services were not similar and thus this factor weighed strongly in favor of Plaintiffs.

On the fourth factor, similarity of sales methods, the court found that the retail outlets and predominant customers for both Plaintiffs and Defendants were virtually identical, and that there was no genuine issue of disputed fact on this point. As a result, this was a factor weighing heavily in Plaintiffs' favor.

As for the fifth factor, similarity of advertising methods, the court found that both parties advertised through the internet, through signage at store locations and through brochures available at

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[10] *See* App., *infra*, 19a – 21a(Summary Judgment Order); R. Vol. 5, Doc. 91-1, p. 13-15 (Defendants' Response to Summary Judgment); R. Vol. 5, Doc. 91-2, p. 2, ¶ 7-9, p. 3, ¶ 10, p. 6-7, ¶ 30 (Affidavit of Eric Young).

those stores, and that there was no genuine issue of disputed fact on this point. As a result, this was a factor that weighed in favor of Western Union.

On the sixth factor, intent, the court inferred that Eastern Union intended to derive benefit from the Western Union mark based on the agency relationship of Young Choe, the failure of Defendants to timely comply with preliminary injunctive orders of the court, and the failure of Defendants to offer an independent rationale for the adoption of the mark. However, the evidence indicated that the "EASTERN UNION" mark was actually adopted prior to the beginning of Young Choe's agency agreement[11]. Of course, Defendants' conduct relative to the court's orders would, at most, be probative of Defendants' state of mind as to being forced to abandon the mark, not their intent in initially choosing it years before those orders were ever entered. Moreover, the burden of production on intent was clearly Plaintiffs' burden, not Defendants', and in the absence of evidence on intent, having no independent rationale other than sound business judgment should not necessarily have been held against Eastern Union. Nevertheless, the court concluded that there was no genuine issue of material fact as to intent, and weighed this factor strongly in favor of Plaintiffs.

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[11] R. Vol. 5, Doc. 91-2, p. 3, ¶ 11 (Affidavit of Eric Young).

Finally, with regard to the seventh factor, actual confusion, the court noted that there was a lack of probative evidence on this issue and therefore simply disregarded this factor in its analysis.[12]

Thus, based on only the first six factors, the court determined that Plaintiffs had established a likelihood of confusion and granted the Motion for Summary Judgment on this claim. Pursuant to that ruling, the court granted Western Union's request for a permanent injunction, and also, without explanation, determined that this was an "exceptional case" within the meaning of 15 U.S.C. § 1117(a) and awarded Plaintiffs attorneys fees.

D. The Decision of the Court of Appeals

This Order of the District Court was timely appealed to the Eleventh Circuit Court of Appeals by Notice of Appeal entered on October 5, 2007.[13] In their brief, Defendants-Appellants argued, *inter alia*, that the absence of evidence of actual confusion should have been considered a factor in Defendants' favor as tending to show that confusion is unlikely[14],

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[12] App., *infra*, 25a – 26a (Summary Judgment Order).

[13] Jurisdiction was predicated on 28 U.S.C. §§ 1291 and/or 1292(a)(1).

[14] *Western Union Holdings, Inc., et al. v. Eastern Union, Inc., et al.*, Appeal No. 07-15379-J (11th Cir. Jun. 20, 2008), Brief of Appellant, pp. 27-31.

and that the appellate court should review all of the District Court's findings on a *de novo* basis[15].

On June 20, 2008, the Court of Appeals issued a per curiam opinion in which it nominally reviewed the District Court's findings on a *de novo* basis, but in which it actually engaged in no discernable review of its own, and instead simply recited the lower court's findings and concluded that "[t]he district court did not err."

Defendants-Appellants filed a timely Petition for Rehearing and Rehearing *En Banc* on July 11, 2008, and the Eleventh Circuit entered its Order denying rehearing on August 25, 2008. Thereafter, the Plaintiffs moved to dismiss their remaining claims and a Final Judgment of Permanent Injunction and Monetary Relief was entered by the District Court on November 4, 2008.

Petitioners now seek review by this Court on the grounds, and for the reasons, set forth below.

REASONS FOR GRANTING THE PETITION

The decision below perpetuates two circuit conflicts as to vitally important and frequently recurring issues of federal law:

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[15] *Id.* at 12.

(1) whether a lack of evidence of actual confusion in a trademark infringement analysis under the Lanham Act should be weighed as a factor against a finding of likelihood of confusion, as held by most federal circuits, or simply disregarded as having no bearing on the analysis, as held by other circuits, including the Eleventh Circuit in this case; and

(2) whether the proper standard of review of a district court's finding of likelihood of confusion in a trademark infringement analysis under the Lanham Act is the "clearly erroneous" standard normally applied to a strictly factual determination, as held by several federal circuits, including the Eleventh Circuit, or a combination of the "clearly erroneous" standard for foundational facts and the *de novo* standard for the weighing and balancing of those foundational facts and the ultimate finding of likelihood of confusion, as held by other circuits.

A. Circuit Law is in Conflict as to the Proper Treatment of a Lack of Evidence of Actual Confusion

Federal case law regarding the proper treatment of a lack of evidence of actual confusion divides generally into two camps: (1) the majority of circuits, including the First, Second, Third, Fourth and Fifth

Circuits, in which such a lack of evidence is weighed as a factor against a finding of likelihood of confusion; and (2) those few circuits, including the Seventh, Ninth and Eleventh Circuits, where a lack of evidence of actual confusion is generally disregarded as having no bearing on the analysis. In other circuits, including the Sixth and Federal Circuits, the case law is somewhat inconsistent and it is difficult to discern a clear policy.

This conflict was recognized recently by the Central District of California in *Seven Elephants Distributing Corp. v. Earthquake Sound Corp.*, 2007 WL 977391 (C.D.Cal., CV 06 4761 GAF (RZX), Jan. 11, 2007). In holding in that case that a lack of evidence of actual confusion should be treated as only a neutral factor, the court noted as follows:

> Seven Elephants cites out of circuit authority for the proposition that "[w]hile a showing of actual confusion is not required to establish infringement, an absence of actual confusion, or a negligible amount of it, between two products after a long period of coexistence on the market is highly probative in showing that little likelihood of confusion exists." *Aktiebolaget Electrolux v. Armatron Int'l, Inc.*, 999 F.2d 1, 3 (1st Cir.1993). As indicated above, however, the Ninth Circuit

apparently disagrees, and its view is of course controlling here.[16]

In that First Circuit case, *Aktiebolaget Electrolux v. Armatron Int'l, Inc.*, 999 F.2d 1 (1st Cir. 1993), the court noted that "Appellant made only a weak showing of actual confusion through an equivocal survey, showing at best name association confusion. Appellant was unable to produce any instances of actual consumer confusion after both products coexisted on the market for six years."[17] In evaluating this factor in the likelihood of confusion analysis, the court went on to hold that:

> the weak evidence of actual confusion weighs quite heavily against a finding of likelihood of confusion. While a showing of actual confusion is not required to establish infringement, an absence of actual confusion, or a negligible amount of it, between two products after a long period of coexistence on the market is highly probative in showing that little likelihood of confusion exists. *Pignons S.A. v. Polaroid Corp.*, 657 F.2d 482, 490 (1st Cir.1981) (coexistence for

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[16] *Seven Elephants Distributing Corp. v. Earthquake Sound Corp.*, 2007 WL 977391 at *5, n. 2 (C.D.Cal., CV 06 4761 GAF (RZX), Jan. 11, 2007).

[17] *Aktiebolaget Electrolux v. Armatron Int'l, Inc.*, 999 F.2d 1, 3 (1st Cir. 1993).

four years); *Keebler*, 624 F.2d at 377 (coexistence for three and one half years).[18]

Similarly, in the Second Circuit, in *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208 (2nd Cir. 1999), the court clarified for the district court the proper treatment of a lack of evidence of actual confusion, stating that:

> The presence or absence of actual confusion can be highly effective in showing a high, or a low, likelihood of confusion *if there has been ample opportunity for consumer confusion.* If consumers have been exposed to two allegedly similar trademarks in the marketplace for an adequate period of time and no actual confusion is detected either by survey or in actual reported instances of confusion, that can be powerful indication that the junior trademark does not cause a meaningful likelihood of confusion.[19]

In the *Nabisco* case however, the junior mark had not yet appeared on the market, and the party alleging infringement did not have access to samples of the allegedly infringing product. In those

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[18] *Id.* at 4.

[19] *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d 208, 228 (2nd Cir. 1999).

circumstances, where there had been no opportunity for actual confusion to manifest itself, and the alleged victim of infringement had had no opportunity to conduct its own consumer surveys, the Second Circuit made it clear that no reasonable inference could be drawn from the lack of evidence of actual confusion. Under those facts, "the 'actual confusion' factor simply drops out of the picture because it can have no relevance."[20]

The Third Circuit, in *Century 21 Real Estate Corporation v. Lendingtree, Inc.*, 425 F.3d 211 (3rd Cir. 2005), addressed a lack of evidence of actual confusion in the slightly modified, but materially equivalent, context of a likelihood of confusion analysis where the defendant had asserted a nominative fair use defense. In that case, the marks had been used for "at least five years with little evidence of actual consumer confusion."[21] Moreover, "[i]n this case, [plaintiffs] presented no evidence of actual confusion before the District Court. In fact, as the District Court noted, from the Court's first meeting with the parties, they had agreed that they would offer no evidence of actual confusion to the Court. Therefore, this factor should clearly weigh in favor of [the defendant]."[22]

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[20] *Id.*

[21] *Century 21 Real Estate Corporation v. Lendingtree, Inc.*, 425 F.3d 211, 227 (3rd Cir. 2005).

[22] *Id.*

In *CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263 (4th Cir. 2006), the Fourth Circuit noted that "evidence of actual confusion is 'often paramount' in the likelihood-of-confusion analysis"[23], and in that case weighted a lack of evidence of actual confusion "heavily against" the plaintiff on its trademark infringement claim, holding that "[a]lthough proof of actual confusion is not necessary to show a likelihood of confusion, the absence of any evidence of actual confusion over a substantial period of time-here, approximately nine years-creates a strong inference that there is no likelihood of confusion."[24]

Likewise, the Fifth Circuit, in *Oreck Corp. v. U.S. Floor Systems, Inc.*, 803 F.2d 166 (5th Cir. 1986), on review of a jury verdict, and in ultimately reversing it, noted that the plaintiff had produced at trial no evidence of any actual confusion and "[i]n light of the concurrent use of the STEAMEX DELUXE 15 XL name and Oreck's XL mark for seventeen months, Oreck's inability to point to a single incident of actual confusion is highly significant."[25]

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[23] *CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d 263, 268 (4th Cir. 2006).

[24] *Id.* at 269.

[25] *Oreck Corp. v. U.S. Floor Systems, Inc.*, 803 F.2d 166, 173 (5th Cir. 1986).

In contrast, the Eleventh Circuit in *Frehling Enterprises, Inc. v. Int'l Select Group, Inc.*, 192 F.3d 1330 (11th Cir. 1999), did not consider a lack of evidence of actual confusion as a factor that would tend to show that confusion is unlikely. In that case, there was evidence that the two marks in question had been in concurrent use for a period of years, however the plaintiff only produced one admissible instance of actual confusion that the district court deemed unpersuasive. On appeal, the Eleventh Circuit gave this instance of confusion somewhat more weight, but ultimately concluded that the lack of evidence of actual confusion did not favor either party.[26]

Similarly, the Seventh Circuit, in *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660 (7th Cir. 2001), held that lack of evidence of actual confusion is entitled to little or no weight, even in the context of a decades long co-existence. In so holding, the court stated that

> Because, as the district court noted, instances of actual confusion may be difficult to discover, the most that the absence of evidence of actual confusion can be said to indicate is that the record does not contain any evidence of actual confusion known to the parties. ... Other than its

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[26] *Frehling Enterprises, Inc. v. Int'l Select Group, Inc.*, 192 F.3d 1330, 1340-41 (11th Cir. 1999).

> reliance on a twenty-five-year history without reported incidents of actual confusion, Clean Air has not come forward with hard evidence to demonstrate a genuine issue of material fact that consumers are not likely to be confused by the parties' simultaneous use of the CAE mark in connection with their businesses.[27]

In the Federal Circuit, the court in *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333 (Fed. Cir. 2001) acknowledged that "extended periods of side-by-side sales without actual confusion may tend to refute a likelihood of confusion"[28], however the court seemed to place relatively little significance on the lack of evidence of actual confusion in that case. Although this result in *Han Beauty* may be explained by the fact that there was also a corresponding lack of evidence as to how long, and in what manner, the two marks were concurrently sold[29], the Federal Circuit's view that lack of evidence of actual confusion is generally insignificant is reflected in other rulings. *See, e.g., In re Majestic Distilling Co.*, 315 F.3d 1311, 1317 (Fed.

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[27] *CAE, Inc. v. Clean Air Engineering, Inc.*, 267 F.3d 660, 686 (7th Cir. 2001).

[28] *Han Beauty, Inc. v. Alberto-Culver Co.*, 236 F.3d 1333, 1339 (Fed. Cir. 2001).

[29] *Id.*

Cir. 2003) ("A showing of actual confusion would of course by highly probative, if not conclusive, of a high likelihood of confusion. The opposite is not true, however. The lack of evidence of actual confusion carries little weight ...")

In *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center*, 109 F.3d 275 (6th Cir. 1997), the Sixth Circuit enunciated principles that seem to comport, generally, with the position of most other circuits on this issue, however in implementing those principles in that case, the court indicated a somewhat inconsistent approach. Specifically, the Sixth Circuit stated that "[d]ue to the difficulty of securing evidence of actual confusion, a lack of such evidence is rarely significant, and the factor of actual confusion 'is weighted heavily only when there is evidence of past confusion, or perhaps, when the particular circumstances indicate such evidence should have been available.'"[30] Moreover, the court further stated that "isolated instances of actual confusion after a significant period of time of concurrent sales or extensive advertising do not always indicate an increased likelihood of confusion and may even suggest the opposite."[31] Nevertheless, in analyzing the circumstances actually present in the Daddy's case, the court ultimately remanded for

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[30] *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center*, 109 F.3d 275, 284 (6th Cir. 1997).

[31] *Id.*

further consideration of the significance of a single instance of actual confusion, but did so with the implication that this evidence, and the lack of any further evidence of actual confusion, while it *could* favor a finding of likelihood of confusion, it could, at most, have only a neutral effect.[32]

B. A Lack of Evidence of Actual Confusion Should Weigh Against a Finding of Likelihood of Confusion

As shown above, the weight of authority clearly favors according alleged infringers the benefit of a significant, favorable inference from a lack of evidence of actual confusion. Nevertheless, there are clear disparities and disagreements among the circuits on this issue, as acknowledged by the Central District of California in *Seven Elephants*. Accordingly, parties defending against infringement claims are faced with inconsistent treatment of this critical factor depending on the jurisdiction in which the claims are brought.

Actual confusion is generally considered the most important factor in making a determination of a likelihood of confusion. *See, e.g., CareFirst of Maryland, Inc. v. First Care, P.C.*, 434 F.3d at 268 ("Not all of these factors are of equal importance, 'nor are they always relevant in any given case.' ...

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[32] *Id.*

However, evidence of actual confusion is 'often paramount' in the likelihood-of-confusion analysis, ..."); *Oreck Corp. v. U.S. Floor Systems, Inc.*, 803 F.2d at 173 ("'Although evidence of actual confusion is not necessary to a finding of likelihood of confusion, it is nevertheless the best evidence of likelihood of confusion.'"); *Frehling Enterprises, Inc. v. Int'l Select Group, Inc.*, 192 F.3d at 1340 ("It is undisputed that evidence of actual confusion is the best evidence of a likelihood of confusion."); *Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center*, 109 F.3d at 284 ("'Evidence of actual confusion is undoubtedly the best evidence of likelihood of confusion.'")

This is not surprising, since the evaluation as to whether the vague collective of the consuming public is likely to be confused by a particular trademark will always contain some level of subjective inference. There is simply no way to *know* whether particular consumers will be confused, or even whether they are likely to be confused. That is why evidence of actual confusion is so crucial. It minimizes the natural guesswork inherent in any determination as to whether confusion is "likely to happen". There is no better proof that confusion is likely to occur than an instance of actual occurrence. Conversely, the absence of actual occurrences when they should be seen, if confusion is likely, can be a strong, objective indication that confusion is, in fact, not likely.

This Court's intervention is necessary to ensure a uniform application of these widely accepted principles in the analysis of likelihood of confusion, not only to bring consistency to federal jurisprudence, but from a more practical standpoint, to ensure a certain level of fairness in the enforcement of trademark rights. This case is a perfect example of a well established senior mark holder flexing its economic advantage over a small business competitor, who, at the very least, should be entitled to the proper inference to be drawn from an appreciable period of concurrent sales without any meaningful evidence that the mark caused actual consumer confusion. After all, a fear of confusion that may look legitimate on paper, may in fact be unfounded in practice. For these reasons, this Court should grant review.

C. The Circuits are Divided as to the Proper Standard of Review for a Finding of Likelihood of Confusion

A further circuit conflict presented by this case is that regarding the proper standard of appellate review for district court determinations of likelihood of confusion in the analysis of trademark infringement claims.

In *McMonagle v. Northeast Women's Center, Inc.*, 493 U.S. 901, 110 S.Ct. 261, 107 L.Ed.2d 210 (1989), Justice White, in his dissent from the denial of

certiorari in the matter of *Clamp Manufacturing Co. v. Enco Manufacturing Co.*, 870 F.2d 512 (9th Cir. 1989), cert. denied, 493 U.S. 872, 110 S.Ct. 202, 107 L.Ed.2d 155 (1989), recognized the existence and importance of this conflict, stating that:

> A question presented in this case is whether a district court's finding of a likelihood of confusion in a trademark infringement matter under § 43(a) of the Lanham Trade-Mark Act, 60 Stat. 449, as amended, 15 U.S.C. § 1125(a), is reviewable under the "clearly erroneous" standard, as a finding of fact, or *de novo,* as a conclusion of law. 870 F.2d 512 (CA9 1989). I have noted before that federal courts disagree over this question. See *Euroquilt, Inc. v. Scandia Down Corp.*, 475 U.S. 1147, 106 S.Ct. 1801, 90 L.Ed.2d 346 (1986) (WHITE, J., dissenting from denial of certiorari); *Elby's Big Boy of Steubenville, Inc. v. Frisch's Restaurants, Inc.*, 459 U.S. 916, 103 S.Ct. 231, 74 L.Ed.2d 182 (1982) (same). We should resolve the conflict.[33]

Other courts have acknowledged the conflict and have noted its persistence over time. In *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352 (9th Cir. 1985) (en banc), the Ninth Circuit stated that:

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[33] *McMonagle v. Northeast Women's Center, Inc.*, 493 U.S. 901, 904, 110 S.Ct. 261, 263 (1989).

> A review of trademark cases in other circuits demonstrates that the clearly erroneous standard predominates for review of a district court's determination on likelihood of confusion. ... In dissenting from the denial of certiorari for a case in which the Sixth Circuit adopted the two-level test, Justice White partially documented the disparity in the standards employed by the various circuits. *Elby's Big Boy of Steubenville, Inc. v. Frisch's Restaurants*, 459 U.S. 916, 103 S.Ct. 231, 74 L.Ed.2d 182 (1982) (White, J., dissenting).[34] (citations omitted)

Similarly, in *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920 (10th Cir. 1986), the Tenth Circuit stated that:

> In this circuit, likelihood of confusion is a question of fact subject to the clearly erroneous standard of review. ... Ordinarily, when presented with a trademark case involving both questions of law and questions of fact, we review the legal questions *de novo* and, if there are legal errors, we remand the case for further factual determinations. ... Some reviewing courts do not remand the case in such a situation but instead

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[34] *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352, 1356, n. 6 (9th Cir. 1985)

decide the issue of likelihood of confusion as a matter of law. *Frisch's Restaurants, Inc. v. Elby's Big Boy of Steubenville, Inc.*, 670 F.2d 642, 650-51 (6th Cir.) (citing *Alpha Industries, Inc. v. Alpha Steel Tube & Shapes, Inc.*, 616 F.2d 440, 443-44 (9th Cir.1980)), *cert. denied*, 459 U.S. 916, 103 S.Ct. 231, 74 L.Ed.2d 182 (1982) (White, J., dissenting on the ground that there is a split in the circuits as to whether a district court's finding of likelihood of confusion is reviewable under the clearly erroneous standard as a question of fact or *de novo* as a question of law).[35] (citations omitted)

The Second Circuit acknowledged the conflict in *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033 (2nd Cir. 1992), stating that:

The standard of appellate review of a district court's conclusion regarding the likelihood of confusion between two products has split the courts of appeals. *See Euroquilt, Inc. v. Scandia Down Corp.*, 475 U.S. 1147, 106 S.Ct. 1801, 90 L.Ed.2d 346 (1986) (White, *J.*, dissenting from the denial of *certiorari* to resolve whether the determination of likelihood of confusion under section 43(a) is subject to *de novo* review as a

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[35] *Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 923, n. 2 (10th Cir. 1986).

conclusion of law or "clearly erroneous" review as a question of fact).[36]

The Tenth Circuit reiterated its position and again noted the circuit split in *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d 550 (10th Cir. 1998), stating that:

> Likelihood of confusion is a question of fact we review for clear error. *Cardtoons, L.C. v. Major League Baseball Players Ass'n*, 95 F.3d 959, 967 (10th Cir.1996); *see also Beer Nuts, Inc. v. Clover Club Foods Co.*, 805 F.2d 920, 923 n. 2 (10th Cir.1986) (discussing the circuit split regarding appropriate standard of review for likelihood of confusion and reaffirming Tenth Circuit's general rule of treating the issue as a question of fact subject to review for clear error).[37]

More recently, the Fourth Circuit acknowledged the division and its persistence over time in *Adventis, Inc. v. Consolidated Property Holdings, Inc.*, 124 Fed.Appx. 169 (4th Cir. 2005), stating that:

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[36] *Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d 1033, 1043 (2nd Cir. 1992).

[37] *Heartsprings, Inc. v. Heartspring Inc.*, 143 F.3d 550, 553 (10th Cir. 1998).

> This court has consistently held that the likelihood of confusion issue in an infringement claim is an inherently factual determination. *See, e.g., Anheuser-Busch, Inc. v. L. & L. Wings, Inc.*, 962 F.2d 316, 318 (4th Cir.1992). We recognize, however, that a minority of other circuits regard the issue as a mixed question of fact and law, *see, e.g., In re Majestic Distilling Co., Inc.*, 315 F.3d 1311, 1314 (Fed.Cir.2003) (describing likelihood of confusion "as a question of law based on findings of relevant underlying facts"); *Jet, Inc. v. Sewage Aeration Sys.*, 165 F.3d 419, 422 (6th Cir.1999) ("[W]e review a trial court's underlying factual findings for clear error but review de novo whether these facts indicate a likelihood of confusion."); *see also*, 3 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 23:73 (4th ed.2001), and that the split over this issue continues, *see, e.g., McMonagle v. Northeast Women's Center, Inc.*, 493 U.S. 901, 904, 110 S.Ct. 261, 107 L.Ed.2d 210 (1989) (WHITE, J., dissenting from denial of certiorari); *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d 550, 553 (10th Cir.1998).[38]

Thus, today many circuits, including the Fourth, Ninth, Tenth and Eleventh Circuits, review district

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[38] *Adventis, Inc. v. Consolidated Property Holdings, Inc.*, 124 Fed.Appx. 169, 171, n. 3 (4th Cir. 2005).

court findings of likelihood of confusion under the clearly erroneous standard as a strictly factual determination. *See, e.g., Adventis, Inc. v. Consolidated Property Holdings, Inc.*, 124 Fed.Appx. at 171, n. 3 (4th Cir. 2005) ("This court has consistently held that the likelihood of confusion issue in an infringement claim is an inherently factual determination."); *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d at 1355 (9th Cir. 1985) (en banc) ("We hold that henceforth the clearly erroneous standard should be applied in reviewing a trial court's determination concerning likelihood of confusion."); *Heartsprings, Inc. v. Heartspring, Inc.*, 143 F.3d at 553 (10th Cir. 1998) ("Likelihood of confusion is a question of fact we review for clear error."); and *E. Remy Martin & Co., S.A. v. Shaw-Ross Int'l Imports, Inc.*, 756 F.2d 1525, 1529 (11th Cir. 1985) ("In this circuit a determination of likelihood of confusion, mistake, or deception is a matter of fact that we may overturn only if clearly erroneous.").

However, there remain an influential minority, including the Second, Sixth and Federal Circuits, that instead engage in what is essentially a two part analysis, reviewing the foundational factfinding of the district court for clear error[39], but reviewing *de*

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[39] Federal Circuit cases reviewing determinations by the Trademark Trial and Appeal Board apply a "substantial evidence" standard.

novo the weighing and balancing of the foundational facts and the ultimate finding of likelihood of confusion. *See, e.g., Bristol-Myers Squibb Co. v. McNeil-P.P.C., Inc.*, 973 F.2d at 1043 (2nd Cir. 1992) ("In this Circuit, a district court's determination of the individual *Polaroid* factors are subject to review as findings of fact, subject to reversal only if clearly erroneous, while the ultimate balancing of all the *Polaroid* factors to determine the likelihood of confusion in any given case is done *de novo* by this Court."); *Holiday Inns, Inc. v. 800 Reservation, Inc.*, 86 F.3d 619, 623 (6th Cir. 1996) ("This court considers the question of whether there is a "likelihood of confusion" as a mixed question of fact and law. Thus, when reviewing a district court's decision, we apply a clearly erroneous standard to findings of fact supporting the existence of these "likelihood of confusion" factors, but review *de novo* the legal question of whether those foundational facts actually establish a "likelihood of confusion."); and *In Re Majestic Distilling Co.*, 315 F.3d at 1314 (Fed. Cir. 2003) ("We review a determination of likelihood of confusion as a question of law based on findings of relevant underlying facts. ... Although we review the Board's ultimate legal conclusion de novo, ... we review the Board's underlying findings of fact under the substantial evidence standard.")

D. Likelihood of Confusion Should be Reviewed as a Mixed Question of Fact and Law

Thus, it is clear that this conflict in federal law as to the proper standard of review of a district court's finding of likelihood of confusion is entrenched and persistent, and gives no indication of being resolved by time or the evolution of legal principles. In *J.M. Huber Corporation v. Lowery Wellheads, Inc.*, 778 F.2d 1467 (10th Cir. 1985), the Tenth Circuit noted that "there appears to be an evolving trend toward treating the fact finder's determination of the underlying factors as a question of fact, but treating the ultimate issue of 'likelihood of confusion' as a question of law."[40] Although this trend has not taken hold in many circuits, neither has the trend reversed in over two decades. It is a recognized, long standing division between the circuits that can only be resolved by the intervention of this Court.

The conflict exists because the determination of likelihood of confusion is inherently ambiguous as to whether it is a factual question or a legal question. "Whether confusion is likely is a factual determination woven into the law." *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d at 1356.

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[40] *J.M. Huber Corporation v. Lowery Wellheads, Inc.*, 778 F.2d 1467, 1471, note (10th Cir. 1985). The law of the Ninth Circuit, through Levi Strauss, infra, changed right around the time that this opinion was issued.

On the one hand, any determination of likelihood of confusion is necessarily fact dependent since every mark is unique in its form, purpose and the manner in which it is used, and no general rule can govern the outcome of particular cases. This is one reason advanced for treating it as a purely factual determination, i.e. that appellate review of such determinations would have limited precedential value because they are so fact specific. *Id.*

On the other hand, the likelihood of confusion test is clearly a legal standard derived from the statutory language of, *inter alia*, 15 U.S.C. § 1114. When a judge or jury is asked to evaluate likelihood of confusion, they are not simply being asked to conduct an analysis under the ordinary meaning of that term as understood by the fact finder. The determination of likelihood of confusion is an elaborate legal test comprised of varying numbers of factors, from seven in the Eleventh Circuit[41], to eight in the Sixth Circuit[42], to ten in the Third Circuit[43]. While there is clearly no dispute that the underlying foundational facts relevant to the evaluation of each factor are properly categorized as being the result of factual determinations, it is certainly reasonable to

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[41] *See Frehling Enterprises, Inc. v. Int'l Select Group, Inc.*, 192 F.3d at 1335.

[42] *See Daddy's Junky Music Stores, Inc. v. Big Daddy's Family Music Center*, 109 F.3d at 280.

[43] *See Century 21 Real Estate Corporation v. Lendingtree, Inc.*, 425 F.3d at 224.

conclude, as several circuits have done, that the complex weighing and balancing of those facts is ultimately the application of a legal standard to reach a legal conclusion.

Moreover, the continued viability of "clearly erroneous" review for the entire determination of likelihood of confusion engenders its own confusion in practice, particularly in the summary judgment setting. For example, in the Ninth Circuit prior to *Levi Strauss*, the court applied different standards depending on whether the foundational facts were disputed or undisputed, i.e. it reviewed *de novo* any determinations based on undisputed facts. *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d at 1355, n. 4. The Ninth Circuit then ultimately abandoned *de novo* review of likelihood of confusion entirely, in favor of "clearly erroneous" review. *Id.* However, in the summary judgment setting, the facts are ultimately undisputed, but it is fundamental that the appellate court must review the determinations of the district court *de novo*, since the grant or denial of a motion for summary judgment is a judgment "as a matter of law". Fed.R.Civ.P. 56(c). To the extent that determinations of likelihood of confusion based on undisputed facts are subject to "clearly erroneous" review, the proper approach in a summary judgment context is thus clouded.

Ideally, on review of summary judgment, the appellate court will review the record to decide if the district court properly determined that no genuine

issues of material fact remained for trial with respect to all of the underlying, foundational facts necessary for evaluation of the likelihood of confusion. If the appellate court concurs with the district court's analysis, however, there is then at this stage a natural danger to review for clear error the finding of likelihood of confusion from those undisputed facts, as it appears that the Eleventh Circuit may have done in this case.

Nevertheless, if the determination of likelihood of confusion is a fully factual analysis, then the "factual" weighing and balancing of even undisputed facts, must, in and of itself, be free of dispute in order for there to be a proper disposition on summary judgment. In other words, reasonable persons who agree on the underlying facts, could nonetheless disagree as to the weighing and balancing of those facts and the ultimate conclusion of likelihood of confusion. Thus, no matter how the issue is approached, on review of summary judgment on a trademark infringement claim, the appellate court will always be required to engage in a two part, *de novo* analysis of the district court's conclusion. However, if a circuit court is constrained by a "clearly erroneous" standard of review for likelihood of confusion, it is more likely that this second stage analysis of the weighing and balancing of foundational facts could, even unintentionally, be overlooked.

The conflict between "clearly erroneous" and *de novo* review of district court findings of likelihood of confusion is bound to continue, unless this Court takes action. This persistent division among the federal circuits perpetuates a lack of uniformity in the application of federal law and has repercussions beyond the trademark infringement setting, affecting all statutory frameworks requiring a demonstration of likelihood of confusion. For these reasons, the Court should grant review.

E. This Case Was Decided Incorrectly

In this case, there was evidence that the "EASTERN UNION" mark was used in the same stores as "WESTERN UNION", advertised and sold side-by-side for a period of at least two years[44], and Western Union was unable to provide any probative evidence of actual confusion among consumers.[45] The only evidence it proffered was the statement of a paralegal employed by its counsel, who allegedly "heard another customer ask the clerk, 'Who will be handling my money transfer, Western Union or Eastern Union?'"[46] However, as the District Court

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[44] *See* R. Vol. 5, Doc. 91-2, p. 3, ¶ 11 &14, p. 6-7, ¶ 28 & 30 (Affidavit of Eric Young); R. Vol. 4, Doc. 85-3, p. 7-8. (Plaintiffs' Brief in Support of Summary Judgment).

[45] App., *infra*, 26a (Summary Judgment Order).

[46] App., *infra*, 56a (Preliminary Injunction Order).

correctly noted in its Preliminary Injunction Order, "th[is] single statement of a patron is of little value, and if anything tends to show an absence of confusion, as the customer apparently was able to distinguish between the two money transfer service providers."[47]

Unfortunately, this significant lack of evidence of actual confusion was ultimately ignored and disregarded by both the District Court *and* the Eleventh Circuit as having no bearing on the likelihood of confusion analysis. This approach is in sharp contrast to the majority of circuits, and should not be allowed to stand. Here, as in *Aktiebolaget*, "it seems to us that the lack of confusion is all the more persuasive because the products are sold side-by-side, at the same price, using the same advertising media, and to the same consumers."[48]

In fact, the lack of evidence of actual confusion in this case should have counted, and should have been weighted heavily in favor of the Defendants. This is clearly not one those cases in which an exception to this rule applies. As explained in *Nabisco*, the circumstances under which a reasonable inference may not be drawn from a lack of evidence of actual confusion, i.e. where it would be appropriate to disregard it, would be where the allegedly infringing product is not yet on the market and/or where the

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[47] *Id.*

[48] *Aktiebolaget Electrolux v. Armatron Int'l, Inc.*, 999 F.2d at 4.

alleged victim of infringement does not have access to samples in order to conduct its own consumer surveys.[49] This is not such a case.

Moreover, given the critical importance of this factor in the likelihood of confusion analysis, it is not unreasonable to expect that the result may be different if Western Union's distinct lack of evidence on this point is properly considered.

If the appropriate standard of review is held to be "clear error", the Eleventh Circuit could remand for further factual evaluation, and the District Court, upon drawing the correct inference from the lack of evidence of actual confusion, could certainly conclude that while there may be no disputed issue as to the foundational facts[50], there is indeed a genuine factual dispute with regard to the weighing and balancing of those facts and the ultimate determination of likelihood of confusion.

Likewise, if the proper standard of review is held to be "*de novo*", the Court of Appeals, if it did not remand, could certainly weigh the lack of evidence of actual confusion against Western Union's evidence on the remaining factors and conclude that the conspicuous absence of any objective proof of actual confusion should control.

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[49] *Nabisco, Inc. v. PF Brands, Inc.*, 191 F.3d at 228.

[50] Defendants continue to assert that there are indeed genuine disputes as to material foundational facts that should not have been resolved on summary judgment.

Either way, Petitioners would receive the benefit of a full analysis of all of the factors relevant to determining the likelihood of confusion, a benefit to which they are, and should be, entitled.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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NOVEMBER 2008

APPENDIX TO
PETITION FOR WRIT OF CERTIORARI

United States District Court,
N.D. Georgia,
Atlanta Division.
WESTERN UNION HOLDINGS, INC., Western Union Financial Services, Inc., and Integrated Payment Systems, Inc., Plaintiffs,
v.
EASTERN UNION, INC., EU Financial Services, Inc., Young Choe, Individually and d/b/a/ Check Cash Plus, Evian Group, Inc., and Eric Young, Defendants.
Civil Action No. 1:06-CV-01408-RWS.
Sept. 7, 2007.

Erin Cranman Witkow, Patricia B. Cunningham, Troy R. Covington, Sutherland Asbill & Brennan, Atlanta, GA, for Plaintiffs.

Jerome D. Lee, Hernan Taylor & Lee, Roswell, GA, for Defendants.

ORDER

RICHARD W. STORY, United States District Judge.

*1 Before the Court are three issues: (i) the determination of whether to hold Defendants in contempt for violation of the Modified Preliminary Injunction Order [84],FN1 (ii) Plaintiffs' Motion for Sanctions [89], and (iii) Plaintiffs' Motion for Summary Judgment [85]. After reviewing the entire record, the Court enters the following Order.

FN1. As a preliminary matter, let it be noted that Plaintiffs' Motion for Order to Show Cause [88] was

granted by way of the Court's Notice of Hearing on Motions [90] issued on Aug. 17, 2007.

Background

I. Factual Background[FN2]

FN2. Because Defendants failed to submit any response to Plaintiffs' Statement of Undisputed Material Facts [85-4], the Court shall deem these facts admitted in accordance with Local Rule 56.1 B(2).

Plaintiff Western Union Financial Services, Inc. offers financial services including money transfer services, money orders, bill payment services, gift checks, electronic payment services, and printed money orders. Plaintiff Western Union Holdings, Inc. (collectively with Western Union Financial Services "Western Union") is the owner of a number of federal trademark and service mark registrations, applications, and common law marks for the "WESTERN UNION" word mark alone and/or in combination with other wording, and/or the "double bar" logo and design, and/or the yellow and black trade dress (collectively the "WESTERN UNION Marks").

Defendant Choe is the owner of Check Cash Plus. Defendant Eastern Union is a Georgia Corporation that offers for sale money transfer services, money orders, and travelers checks. Defendant EU Financial Services is a Georgia Corporation which purportedly provides tax return advances/loans and tax preparation services. Choe is listed in the records on file with the Georgia Secretary of State as the

President and Chief Executive Officer of Defendant Eastern Union, Inc., as the Chief Executive Officer, Chief Financial Officer, President, Vice President, Secretary, and Treasurer of Defendant EU Financial Services, Inc., and serves as the registered agent for both corporations. Defendant Young is a Georgia resident who filed at least two trademark applications with the United States Patent and Trademark Office ("USPTO") for the mark EASTERN UNION. Young is listed in that application as Eastern Union's Chief Executive Officer. The address listed with the Georgia Secretary of State for Choe as the registered agent of Eastern Union and EU Financial Services is identical to one of Choe's Check Cash Plus locations. The same address is listed with the Georgia Secretary of State as the principal office of EU Financial Services.

In January 2004, Defendant Choe d/b/a Check Cash Plus entered into a written agency agreement with Western Union North America, a unit of Western Union Financial Services, and Integrated Payment Systems, Inc. ("IPS") under which Choe d/b/a Check Cash Plus was appointed an agent of Western Union Financial and IPS to offer money transfer and money order services for a term of five years. Under the agency agreement, as amended, Choe d/b/a Check Cash Plus was granted a non-exclusive license to use the WESTERN UNION Marks for the purpose of advertising and promoting Western Union money transfer and money order services at four Check Cash Plus locations in the Atlanta area. Additionally, during the term of the agreement and for ninety days thereafter, Choe

d/b/a/ Check Cash Plus agreed not to offer for sale any money order products or services other than those of Western Union.

*2 On June 17, 2004, Young filed a trademark application on behalf of Eastern Union with the USPTO for the word mark EASTERN UNION for travelers check issuance, payroll accounting services, and tax preparation services. On February 27, 2006, Young filed a trademark application with the USPTO on behalf of Eastern Union for the word mark EASTERN UNION for banking services (collectively the "EASTERN UNION Marks").

At some point during the term of the agency agreement between Choe d/b/a Check Cash Plus and Western Union, Check Cash Plus began advertising and selling check cashing services, money order services, money transfer services, and travelers checks under the name and mark EASTERN UNION. In addition to the word mark EASTERN UNION, at least one of the signs placed at the Check Cash Plus locations depicted the EASTERN UNION Marks in a yellow block font and black background.[FN3]

FN3. Defendants have stated to the Court that they have voluntarily ceased using the yellow and black color scheme.

In the spring of 2006, Plaintiffs became aware that Choe was offering Eastern Union money orders, money transfer services, and travelers checks at the four Check Cash Plus locations in violation of the agency agreement. By letter dated May 12, 2006,

Plaintiffs demanded that Choe cease and desist from using the EASTERN UNION Marks and the black and yellow trade dress in connection with these services. No response was received. As a result, on or about May 31, 2006, Plaintiffs terminated the agency agreement.

Finally, in June 2006, Plaintiffs initiated this action, claiming that Defendants were liable for trademark and trade dress infringement, breach of contract, and breach of the duty of loyalty. In their Answers [16, 17, 18, 19, 20], Defendants asserted antitrust counterclaims based on Plaintiffs' alleged violations of the Sherman Act. Plaintiffs submitted a Motion to for Summary Judgment on Defendants' Antitrust Counterclaims [56], and in an Order issued on July 11, 2007[84], the Court granted that motion.

Discussion

I. Contempt

As a preliminary matter, the Court shall determine whether Defendants should be held in contempt for violation of the Modified Preliminary Injunction Order. After commencement of this suit, Plaintiffs moved for a preliminary injunction asking the Court to order Defendants to cease their use of the EASTERN UNION Mark in connection with certain financial services [21]. The Court granted this motion on December 20, 2006[52]. According to the terms of the preliminary injunction, Defendants were ordered to

[c]ease use of any name, designation or mark containing the phrase "EASTERN UNION" or any combination of the words "EASTERN" and "UNION", either alone or in combination with other words or symbols, in connection with check-cashing stores, check cashing services, money orders, money transfer services, gift checks, travelers checks, tax services, tax preparation services, tax return advances/loans, payroll accounting services, banking services, financing services, and any other financial services....

*3 (Order of Jan. 18, 2007 at 2.)

On February 8, 2007, Plaintiffs moved for an Order requiring Defendants to appear and show cause why they should not be held in contempt of the January 18, 2007 Preliminary Injunction Order [64]. Plaintiffs asserted that Defendants had continued to use the EASTERN UNION Mark in connection with the prohibited financial goods and services. The Court concluded that Plaintiffs had stated a case for noncompliance with the preliminary injunction and ordered Defendants to appear to show cause why they should not be held in civil contempt. (*See* Order of Feb 23, 2007.)

After the Court entered an Order to Show Cause [68] but before a hearing could be held, Defendants' use of the EASTERN UNION Mark changed, as they began to intermittently replace the EASTERN UNION Mark with the initials "E.U." FN4 Thus, the EASTERN UNION Mark and the initials E.U. (the "E.U. Mark") were being used concurrently in

connection with the sale of money transfer services, money orders, travelers checks, and gift checks.

FN4. While Defendants have alternately utilized the initials "EU" and "E.U.," the Court sees no material difference between the two sets of initials and will refer only to the use of "E.U. Marks" in this Order.

At the first show cause hearing, held on Feb. 27, 2007, Plaintiffs argued that Defendants' conduct violated the terms of the preliminary injunction and requested that the Court impose sanctions. The Court, however, chose not to impose sanctions, noting that "use of the letters 'E.U.' [did] not run afoul of the express terms of the Preliminary Injunction Order." (Order of Mar. 1, 2007 at 11.) But the Court did note that should Defendants "continue to use the letters 'E.U.' in connection with the sale of money transfer services, money orders, travelers checks, gift checks, or other similar services, Plaintiffs remain free to move the Court to modify the terms of the preliminary injunction in this case." (*Id.* at 12-13.)

Following this hearing, the Court's Order found Defendants in willful contempt of the preliminary injunction [75] for their continued use of the EASTERN UNION Mark. After the issuance of this Order, Defendants' use of the E.U. Mark in connection with their financial goods and services expanded substantially. On March 23, 2007, Plaintiffs moved to amend the preliminary injunction to enjoin Defendants from using the initials "E.U." in connection with money orders, money transfer services, and other financial service

[78]. The Court granted Plaintiff's Motion to Amend the Preliminary Injunction Order on July 11, 2007 [84]. Under the Modified Preliminary Injunction Order, Defendants were ordered to

> cease all use of any name, designation or mark containing the initials "E.U." or "EU", either alone or in combination with other words or symbols, in connection with check cashing stores, check cashing services, money orders, money transfer services, gift checks, travelers checks, tax services, tax preparation services; tax return advances/loans, payroll accounting services, banking services, financing services, and any other financial services....

(Order of July 11, 2007 at 22.)

**4* Roughly one month later, Plaintiffs filed yet another Motion for Order to Show Cause [88] alleging that Defendants had failed to comply with the Modified Preliminary Injunction Order. The Court reviewed Plaintiffs' filings, concluded that Plaintiffs had again successfully stated a case for noncompliance, and ordered Defendants to appear before the Court to show cause why they should not be held in civil contempt of the Modified Preliminary Injunction Order and sanctioned. The parties appeared at a second show cause hearing held before the Court on Aug. 28, 2007.

"Courts have inherent power to enforce compliance with their lawful orders through civil contempt." *Citronelle-Mobile Gathering, Inc. v. Watkins*, 943 F.2d 1297, 1301 (11th Cir.1991). "A party seeking

civil contempt bears the initial burden of proving by clear and convincing evidence that the alleged contemnor has violated an outstanding court order." *Commodity Futures Trading Comm'n v. Wellington Precious Metals, Inc.*, 950 F.2d 1525, 1529 (11th Cir.1992). "Once a prima facie showing of a violation has been made, the burden of production shifts to the alleged contemnor, who may defend his failure on the grounds that he was unable to comply." *Id.* "Parties subject to a court's order demonstrate an inability to comply only by showing that they have made 'in good faith all reasonable efforts to comply.' " *Citronelle-Mobile,* 943 F.2d at 1301 (quoting *United States v. Ryan,* 402 U.S. 530, 534, 91 S.Ct. 1580, 1583, 29 L.Ed.2d 85 (1971)). To meet this burden, the contemnor must do more than merely assert an inability to comply. *Id.* Rather, the contemnor must "produce detailed evidence specifically explaining why he cannot comply" with the court's order. *Parker v. Scrap Metal Processors, Inc.*, 468 F.3d 733, 740 (11th Cir.2006). If, and only if, the alleged contemnor makes a sufficient evidentiary showing, then the burden shifts back to the party seeking contempt to prove the ability to comply. *Wellington Precious Metals,* 950 F.2d at 1529.

In this case, there can be little doubt that Defendants have failed to comply with the terms of the Court's Modified Preliminary Injunction Order. The Modified Order explicitly calls for the immediate cessation of all use of the E.U. Mark in connection with check cashing stores, check cashing services, money orders, money transfer services, and other financial services. (Order of July 11, 2007 at 22.)

Plaintiffs have presented evidence establishing Defendants' continued use of the E.U. Mark in connection with the expressly prohibited goods and services. Specifically, on Aug. 4, 2007, the E.U. Mark was still being displayed on signs at two of the Cash Check Plus locations. Defendants' counsel even admitted at the Aug. 27, 2007 hearing that they had failed to take down these two signs. Plaintiffs have certainly met their burden in making a prima facie showing of a violation, shifting the burden to Defendants to make a specific showing of why they were unable to comply.

*5 Defendants admit that they failed to comply with the modified preliminary injunction, yet they offer no evidence showing an inability to comply with the Order.FN5 Indeed, they offer no justification whatsoever for their failure to take down the two signs bearing the E.U. Marks. In view of Defendants' failure to show that they tried in good faith to comply with the Court's Order, the Court concludes that Defendants are in willful contempt of its Modified Preliminary Injunction Order.

FN5. Plaintiffs also allege that Defendants were continuing to sell money orders bearing the "E.U." Mark. Defendants claim that the remaining "E.U." money orders had been modified using white-out and markers and that these modified forms were only being used until new ones could be ordered, printed, and delivered to their stores.

A. Fines

In view of Defendants' noncompliance with the Court's Modified Preliminary Injunction Order,

Defendants will be assessed a fine of $1,000.00 to be paid into the registry of the Court. This fine is in addition to the sanctions imposed pursuant to the Court's Order of March 1, 2007[75], which resulted in fines levied against Defendants totaling $20,000.00, also to be paid into the registry of the Court.

B. Attorney's Fees

The Court finds that Plaintiffs are entitled to recover reasonable attorney's fees associated with their motion to enforce the terms of the preliminary injunction in this case. *See Sizzler Family Steak Houses v. Western Sizzlin Steak House,* 793 F.2d 1529, 1535 (11th Cir.1986) (explaining that district courts have discretion to award costs and fees to party seeking contempt). The Court hereby awards Plaintiffs attorney's fees in the amount of $1,500 to be paid by Defendants.

II. Motion for Sanctions

Plaintiffs have moved for sanctions to be imposed on Defendants for their allegedly frivolous counterclaims. After considering all arguments raised by both parties, the Court finds that Defendants' conduct with regard to their antitrust counterclaims does not warrant the imposition sanctions by the Court. Therefore Plaintiffs' Motion for Sanctions is **DENIED.**

III. Motion for Summary Judgment

Also before the Court is Plaintiffs' Motion for Summary Judgment on their claims for trademark infringement and trade dress infringement.

Plaintiffs seek only the relief of a permanent injunction and the recovery of attorneys' fees. FN6

FN6. Plaintiffs do not seek any money damages. *See* Pl.'s Brief in Support of Pl.'s Mot. for Summary Judgment [85-3] at 23. Because Plaintiffs seek only a permanent injunction and attorneys' fees, the Court will treat their breach of contract and breach of duty of loyalty claims as voluntarily dismissed, as these are claims for damages, not injunctive relief.

A. Standard for Summary Judgment

Federal Rule of Civil Procedure 56(c) provides that a district court shall grant summary judgment if "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Fed.R.Civ.P. 56(c). The applicable substantive law identifies which facts are material, and a fact is not material if a dispute over that fact will not affect the outcome of the suit under the governing law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 247, 248, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). In determining whether the movant has met this burden, the district court must view the evidence and all factual inferences in the light most favorable to the non-moving party. *Id.* at 255; *Adickes v.. S.J. Kress & Co.*, 398 U.S. 144, 158-59, 90 S.Ct. 1598, 26 L.Ed. 142 (1970); *Clark v. Coats & Clark, Inc.*, 929 F.2d 604, 606 (11th Cir.1991).

**6* If the movant meets this burden, the non-moving party then has the burden of showing that summary judgment is not appropriate by setting

forth "specific facts showing that there is a genuine issue for trial." Fed.R.Civ.P. 56(e). An issue is genuine when the evidence is such that a reasonable jury could return a verdict for the non-moving party. *Anderson,* 477 U.S. at 248; *Thornton v. E.I. du Pont de Nemours & Co.,* 22 F.3d 284, 288 (11th Cir.1994). The non-moving party cannot rely on his pleadings, but must file a response that includes other evidence showing that there is a genuine issue for trial. Fed.R.Civ.P. 56(e); *Combs v. Plantation Patterns,* 106 F.3d 1519, 1526 (11th Cir.1997); *Isenbergh v. Knight-Ridder Newspaper Sales, Inc,* 97 F.3d 436, 439 (11th Cir.1996). Mere conclusory allegations and assertions are insufficient to create a disputed issue of material fact. *Earley v. Champion Int'l Corp.,* 907 F.2d 1077, 1081 (11th Cir.1990).

B. Summary Judgment for Trade Dress Infringement

As to Plaintiffs' Motion for Summary Judgment for trade dress infringement, the Court concludes that issues of material fact exist with regard to Plaintiffs' exclusive right to use yellow and black block lettering in connection with financial services. Thus, Plaintiffs' Motion for Summary Judgment for trade dress infringement is **DENIED**.

C. Summary Judgment for Trademark Infringement[FN7]

FN7. Since the Court had already made a determination of Plaintiffs' likelihood of success on the merits for their trademark infringement claim pursuant to the Court's rationale in issuing a Preliminary Injunction, and since very few new facts or legal arguments have arisen since that time, the

Court's reasoning in its Order of Dec. 20, 2006 issuing the original Preliminary Injunction is largely applicable to its present inquiry.

Under the Lanham Act, a defendant is liable for infringement if, without consent, he uses "in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark" which "is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a). "A plaintiff seeking to prevail on a trademark infringement claim must show 1) that he had a valid trademark and 2) that the defendant had adopted an identical or similar mark such that consumers were likely to confuse the two." *Gift of Learning Foundation, Inc. v. TGC, Inc.*, 329 F.3d 792, 797 (11th Cir.2003) (per curiam) (quoting 15 U.S.C. § 1127). It is undisputed that the WESTERN UNION Mark is a valid trademark and has priority over the EASTERN UNION Marks and E.U. Marks. The Court now turns to determine whether there is a likelihood of confusion.

In assessing likelihood of confusion, courts in the Eleventh Circuit consider seven factors:

(1) the strength of the plaintiff's mark; (2) the similarity between the plaintiff's mark and the allegedly infringing mark; (3) the similarity between the products and services offered by the plaintiff and defendant; (4) the similarity of the sales method; (5) the similarity of advertising methods; (6) the defendant's intent, e .g., does the defendant hope to gain competitive advantage by associating his product with the plaintiff's established mark; and (7) actual confusion.

Alliance Metals, Inc. v. Hinely Indus., Inc., 222 F.3d 895, 907 (11th Cir.2000). The Court will now address each factor in turn.

1. *Strength of the Mark*

*7 In assessing likelihood of confusion, the first factor for the Court to consider is the strength of the plaintiff's mark. "The stronger the mark, the greater the scope of protection accorded it, the weaker the mark, the less trademark protection it receives." *Frehling Enters., Inc. v. Int'l Select Group Inc.*, 192 F.3d 1330, 1335 (11th Cir.1999). "The primary indicator of trademark strength measures the logical correlation between a name and a product." *Freedom Sav. and Loan Ass'n v. Way*, 757 F.2d 1176, 1182 (11th Cir.1985). "The relationships between names and products fall into several classifications, each one more heavily protected than the last: generic, descriptive, suggestive, arbitrary or fanciful, and coined." *Id.* "The categories are based on the relationship between the name and the service or good it describes." *Frehling*, 192 F.3d at 1335.

Generic marks are the weakest and not entitled to protection-they refer to a class of which an individual service is a member (e.g., "liquor store" used in connection with the sale of liquor). Descriptive marks describe a characteristic or quality of an article or service (e.g., "vision center" denoting a place where glasses are sold). Suggestive terms suggest characteristics of the goods and services and require an effort of the imagination by the consumer in order to be understood as descriptive. For instance, "penguin" would be

suggestive of refrigerators. An arbitrary mark is a word or phrase that bears no relationship to the product (e.g., "Sun Bank" is arbitrary when applied to banking services). Arbitrary marks are the strongest of the four categories.

Id. (internal citations and quotations omitted).

Here, Plaintiffs contend that the WESTERN UNION Marks are arbitrary and entitled to broad protection. The Court determined in its Order of Dec. 20, 2006[52] that the WESTERN UNION Marks were arbitrary and deserving of very strong protection. While Defendants admit in their brief that the strength of a mark is one of the two most important factors in determining likelihood of confusion, they fail to raise any argument whatsoever with regards to this factor. (*See* Def.'s Br. in Opp. to Pl.'s Mot. for Summ. J. [91] at 9-10 .) As there is no genuine issue of material fact with regard to the strength of the mark, the Court determines that this factor weighs heavily in favor granting Plaintiffs' Motion for Summary Judgment.

2. *Similarity Between the Marks*

The second factor the Court must consider is the similarity between the plaintiff's mark and that of the alleged infringer. In evaluating the similarity of marks, the Court must consider "the overall impression created by the marks, including a comparison of the appearance, sound and meaning of the marks, as well as the manner in which they are displayed." *E. Remy Martin & Co., S.A. v. Shaw-Ross Intern. Imports, Inc.*, 756 F.2d 1525, 1531 (11th Cir.1985). "The underlying purpose in considering

the similarity of marks as an indicator of likelihood of confusion is that the closer the marks are, the more likely reasonable consumers will mistake the source of the product that each mark represents. The probability of this potential confusion is the touchstone." *Frehling*, 192 F.3d at 1337.

*8 Plaintiffs contend that the marks at issue here are extremely similar. In support of this position, Plaintiffs point to the fact that only the first two letters of the first word are different, the second word is identical, the first words of both marks are "directional indicators" which each end in the same five letters, and that Defendants have displayed their mark in yellow block font on a black background which is virtually identical to the trade dress utilized by Plaintiffs. In response, Defendants argue that the marks are not literally similar, as the words "Eastern" and "Western" are literal opposites of one another. Defendants even go so far as to assert that a jury could find that the **EASTERN UNION** Marks are the opposite of the WESTERN UNION Marks, regardless of the marks' color schemes.[FN8]

FN8. Defendants point to *Board of Regents of the University System of Georgia v. Buzas Baseball, Inc.*, 176 F.Supp.2d 1338 (N.D.Ga.2001), as a case where a court found a genuine dispute as to whether phonetically-similar word marks were similar. (*See* Def.'s Br. in Opp'n. to Mot. for Summ. J. at 11-12.) Defendants insist that since other courts have "found similar sounding marks to be dissimilar for the purposes of evaluating a summary judgment motion," this Court should find that "Eastern Union" (or "E.U.") and "Western Union" are not similar.

However, Defendants' reliance on this case is misplaced. Defendants claim that the court in *Buzas Baseball* found a genuine issue of material fact as to whether the word marks "Buzz" and "Buzzy" were similar. (*See* Def.'s Br. in Opp'n. to Mot. for Summ. J. at 11-12.)

But in fact, two sets of marks were at issue in the *Buzas Baseball* case: (1) the word marks "Buzz" and "Buzzy" and (2) the design marks depicting Georgia Tech's "Yellow Jacket Design" mark and Buzas Baseball's "bee-like logo." *Id.* at 1344-45. A careful reading of the case shows that the court found with regard to the word marks "that the two 'Buzz' marks are similar in their sound, their appearance, and the manner in which they are used" and that "this factor favors [the plaintiff]." *Buzas Baseball,* 176 F.Supp.2d at 1352. The court then went on to find that the two design marks depicting bee-like characters were only vaguely similar and that a genuine issue of material fact existed as to whether these design marks were similar. *Id.*

As the Court has previously stated, the marks at issue in this case, while not identical, are decidedly similar. (*See* Order of Dec. 20, 2006 at 13-14.) As noted above, it is "the overall impression created by the marks, including a comparison of the appearance, sound and meaning of the marks, as well as the manner in which they are displayed," that guides this inquiry. As this Court put it, "[e]ach mark consists of two words, differing only by two letters. While they differ in some degree aurally, the overall impression created by attaching a directional indicator to the word 'union' is remarkable." (Order

of Dec. 20, 2006 at 13.) Defendants have not presented sufficient evidence to convince the Court that a reasonable jury could find that the two marks are not similar. Thus, while the marks are not identical, this factor certainly weighs in favor of Plaintiffs due to the noted similarity between the marks.

3. *Similarity Between the Products and Services*

The third factor the Court must consider is the similarity between the products and services offered by the plaintiff and the defendant. "This factor requires a determination as to whether the products are the kind that the public attributes to a single source." *Frehling*, 192 F.3d at 1338. The issue is not whether the purchasing public can readily distinguish between the products of the respective parties, but rather whether the products are so related in the minds of consumers that they get the sense that a single producer is likely to produce both. *Id.*

Here, the Court has already determined that Plaintiffs and Defendants offer "virtually identical products and services." (Order of Dec. 20, 2006 at 14.) Both Plaintiffs and Defendants offer money orders and money transfer services under their respective marks. The Court is unconvinced by Defendants' argument that the money order services differ in that Plaintiffs' services extend worldwide while Defendants' are only available in Georgia. The fact remains that the purchasing public could still attribute these services to one source, even if the one service extended worldwide while the other was tailored for use within the state of Georgia.

*9 Defendants also argue that the money transfer services differ in that Plaintiffs' services extend worldwide while Defendants' are only utilized to transfer money to Korea for its Korean clientele. As previously determined, this contention is unsupported by any evidence and is contrary to representations that were made on Defendants' website, which offered domestic and international money transfer services. (Order of Dec. 20, 2006 at 14; *see* Cunningham Decl. Ex. I [30-7] at 2.) Defendants have failed to come forward with any evidence supporting this contention.

Furthermore, Defendants argue that the products are substantially different in that Eastern Union offers travelers checks for sale, while Western Union does not. In its Order of Dec. 20, 2006, the Court noted a product offered on Defendants' website denominated "Travelers Cheque / Gift Cheque," and the Court further noted that Western Union also offers gift check services (Order of Dec. 20, 2006 at 16 (citing Cunningham Decl. [30] Ex. I at 2 and Norden Decl. [33] ¶ 2).) Thus, contrary to Defendants' arguments, on the record before this Court there is a high degree of similarity between the products and services offered.

And finally, Defendants assert that their money transfer services differ from those of Western Union because Defendants offer only bank wire transfers, while Western Union "is synonymous with ... near real time, point to point money transfers." (Def.'s Br. in Opp. to Mot. for Summ. J. at 14.) The Court once again finds this argument unpersuasive. Contrary to

Defendants' contention, the facts show that Western Union offers bank wire services identical to those of Defendants. Moreover, even if the purchasing public could discern between bank wires and the point-to-point transfer services Defendants contend are offered by Plaintiffs, those services are of the type that consumers would likely attribute to a single source.

None of Defendants' arguments convince the Court that a reasonable jury could find that the products and services offered by the parties are not similar. Thus, as there is no genuine dispute of material fact, this Court concludes that there is a high degree of similarity between the products and services offered and that this factor weighs strongly in favor of Plaintiffs.

4. *Similarity of the Sales Methods*

The fourth factor the Court must consider is the similarity between the sales methods employed by the plaintiff and defendant. "This factor takes into consideration where, how, and to whom the parties' products are sold." *Frehling*, 192 F.3d at 1339. As related to this inquiry, "[d]issimilarities between the retail outlets for and the predominant customers of plaintiff's and defendant's goods lessen the possibility of confusion, mistake, or deception." *Id.* (quoting *Amstar Corp. v. Domino's Pizza, Inc .*, 615 F.2d 252, 262 (5th Cir.1980)). While direct competition between the parties is not required, "evidence that the products are sold in the same stores is certainly strong." *Id.* Moreover, the parties' outlets and customer bases need not be identical, but some degree of overlap should be present. *Id.*

**10* In this case, the retail outlets and predominant customers for the products and services offered by Plaintiffs and Defendants are virtually identical. Both offer their money transfer and money order services through small, independently-owned check cashing stores. Indeed, Defendant Choe d/b/a Check Cash Plus was an authorized agent of Western Union and simultaneously offered both Eastern Union and Western Union money transfer and money order services out of the same establishments. There is certainly a geographic overlap in the relevant markets, and the Court has been presented with no credible evidence that the relevant consumer groups differ. Moreover, the Court's conclusion that the products and services offered are identical compels the conclusion that the predominant consumers of Plaintiffs' and Defendants' products are the same. Defendants offer no evidence to challenge this conclusion. Therefore, this factor, too, weighs heavily in Plaintiffs' favor.

5. *Similarity of Advertising Methods*

The fifth factor the Court must consider requires an examination of "each party's method of advertising." *Id.* In this case, both parties advertise their products through internet websites, through signage posted in retail locations, and brochures distributed at those locations. (*See* Foster Decl. [35] Exs. A, E, F, H, Q; Cunningham Decl. [30] Exs. I, M, O, P.) Defendants have offered no evidence disputing this point. Thus, this factor similarly weighs in Plaintiffs' favor.

6. *Defendants' Intent*

"That a latecomer adopts another's name or mark, deliberately seeking to capitalize on the other's reputation and benefit from the confusion, is an important factor for any court." *Sun Banks of Fla., Inc. v. Sun Fed. Sav. and Loan Ass'n,* 651 F.2d 311, 318-19 (11th Cir.1981). Indeed, "[i]f it can be shown that a defendant adopted a plaintiff's mark with the intention of deriving a benefit from the plaintiff's business reputation, this fact alone may be enough to justify the inference that there is confusing similarity." *Frehling,* 192 F.3d 1340.

Here, Defendant Choe was an authorized agent for Plaintiffs and was granted a non-exclusive license to use the WESTERN UNION Marks in connection with the sale of Western Union products in the four Check Cash Plus stores. During the period of her agency, and in direct contravention of the contract between herself and Western Union, Choe began to offer for sale money transfer and money order services under the EASTERN UNION Marks. Thus, Choe was certainly aware of the use of the WESTERN UNION Marks in connection with these financial services.

As this litigation has proceeded, Defendants have obstinately failed to comply with this Court's instructions to move away from prohibited uses of the EASTERN UNION and E.U. Marks. Defendants began by creating a mark that not only sounded like the WESTERN UNION Marks but also had a similar appearance to the WESTERN UNION Marks, emulating the yellow-and-black, block-lettered design. Subsequently, Defendants began to employ

EASTERN UNION Marks with other colors and other lettering styles concurrently with their original design. Following the issuance of the initial Preliminary Injunction, Defendants failed to comply with this Court's order to cease all use of the EASTERN UNION Marks but instead continued to use the mark while gradually introducing the E.U. Mark. This concurrent use of the EASTERN UNION Marks and the E.U. Marks helped the Defendants to maintain the connection in consumers' minds between the original mark and its initials. Recognizing that the use of such tactics must be forestalled, the Court issued a Modified Preliminary Injunction directing Defendants to immediately cease use of the E.U. Marks in connection with their financial services. But, as determined above, Defendants violated this order as well, displaying the E.U. Marks concurrently with their newly chosen marks. Thus at every step along the way, Defendants have attempted to carry with them the good will derived from the potential confusion between the WESTERN UNION Marks and the EASTERN UNION Marks.

**11* Defendants insist that they did not intend to create consumer confusion. In support of this contention, they point to the fact that they clearly demarcate their products and services with the EASTERN UNION Mark, to alert customers to that particular product's origin. What Defendants fail to realize is that it is precisely this demarcation that gives rise to the potential for consumer confusion. Defendants have labeled their products and services with a mark that looks and sounds likes Plaintiffs. Defendants insist that consumers recognize the

difference between the two marks, but they offer no evidence to support this assertion. Furthermore, Defendants have not offered any independent rationale for their choice of mark that might demonstrate that it was chosen for some reason other than the desire to benefit from the good reputation associated with Plaintiffs' marks.

As there is no genuine issue of material fact with regard to Defendants' intent, the Court can only conclude that Defendants used the EASTERN UNION Marks in connection with money transfer and money order services with the desire to derive benefit from the well-established services and products offered by Western Union. Accordingly, this factor, as has each of the preceding ones, militates strongly in favor of finding a likelihood of confusion.

7. *Actual Confusion*

The final factor the Court must consider is any evidence of actual confusion in the marketplace. "It is undisputed that evidence of actual confusion is the best evidence of a likelihood of confusion." *Frehling,* 192 F.3d at 1340. But, such evidence is not a prerequisite. *Id.; Domino's Pizza,* 615 F.2d at 263 (stating that "evidence of actual confusion is not necessary to a finding of likelihood of confusion"). "Instead, actual confusion is merely one of several factors that may be relevant in analyzing whether there is a likelihood of confusion between two marks," *Montgomery v. Noga,* 168 F.3d 1282, 1302 (11th Cir.1999), and courts must assess this factor in light of the particular facts of each case. *Frehling,* 192 F.3d at 1340.

On this point, neither party has submitted much evidence. Plaintiffs offer as evidence the declaration of Carla Foster, a paralegal employed by Plaintiffs' counsel. Ms. Foster has stated that while visiting a Check Cash Plus store to purchase a money order, she "heard another customer ask the clerk, 'Who will be handling my money transfer, Western Union or Eastern Union?' " (Foster Decl. [35] at ¶ 3.) For their part, Defendants had previously submitted evidence in the form of an informal survey, which the Court rejected due to flaws in its methodology. No further admissible evidence has been offered by Defendants. FN9

FN9. Defendants did retain an expert who conducted a survey, but since the Defendants never identified any survey expert prior to the close of discovery, any evidence offered through him is inadmissible. *See* Fed.R.Civ.P. 26(a)(2)(A) ("[A] party must disclose to the other parties the identity of any witness it may use at trial under Federal Rule of Evidence 702, 703, or 705.")

Despite the lack of probative evidence on this point, the law is clear that Plaintiff need not establish actual confusion in order to make a sufficient showing of likelihood of confusion. And because each of the other six factors weighs so heavily in Plaintiffs' favor, the Court concludes that Plaintiffs have established likelihood of confusion and are entitled to summary judgment on their claim of trademark infringement. Defendants have asserted conclusory allegations and assertions that are largely unsupported by any actual evidence and thus have failed to raise sufficient evidence to create

a genuine issue of material fact. For the foregoing reasons, Plaintiffs' Motion for Summary Judgment on their claim for trademark infringement is hereby **GRANTED.**

IV. Relief Sought

A. Permanent Injunction

**12* Under the principles of equity, a plaintiff requesting a permanent injunction must satisfy a four-factor test:

(1) that [the plaintiff] has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.

eBay, Inc. v. MercExchange, L.L.C., 126 S.Ct. at 1837, 1839 (2006). Thus, the standard for a permanent injunction is essentially the same as for a preliminary injunction except that the movant must show actual success on the merits instead of a likelihood of success on the merits. *Siegel v. Lepore,* 234 F.3d 1163, 1213 (11th Cir.2000). Plaintiffs had already succeeded in gaining a preliminary injunction. (*See* Order of Dec. 20, 2006, Order of Jan. 18, 2007, and Order of July 11, 2007.) As determined above, they have also shown actual success on the merits of their trademark infringement claim.

Accordingly, Defendants Eastern Union, Inc., EU Financial Services, Inc., Young Choe, individually and d/b/a Check Cash Plus, Evian Group, Inc., and Eric Young, and their respective officers, agents, employees, successors and assigns, and any other person or entity in active concert or participation with them are hereby **PERMANENTLY ENJOINED** from:

(1) All use of any name, designation or mark containing the phrase "EASTERN UNION" or any combination of the words "EASTERN" and "UNION," either alone or in combination with other words or symbols, in connection with check cashing stores, check cashing services, money orders, money transfer services, gift checks, travelers checks, tax services, tax preparation services, tax return advances/loans, payroll accounting services, banking services, financing services, and any other financial services;

(2) All use of any name, designation or mark containing the phrase "WESTERN UNION," or any other mark, word, designation or name similar to the WESTERN UNION Marks which is likely to cause confusion, mistake or to deceive, in connection with check cashing stores, check cashing services, money orders, money transfer services, gift checks, travelers checks, tax services, tax preparation services, tax return advances/loans, payroll accounting services, banking services, financing services, and any other financial services; and

(3) All use of any name, designation or mark containing the initials "E.U." or "EU" either alone or

in combination with other words or symbols, in connection with check cashing stores, check cashing services, money orders, money transfer services, gift checks, travelers checks, tax services, tax preparation services, tax return advances/loans, payroll accounting services, banking services, financing services, and any other financial services.

B. Attorney's Fees and Costs

**13* The Court also finds that Plaintiffs are entitled to recover their costs and reasonable attorney's fees associated with bringing this action for trademark infringement. Plaintiffs shall file a statement of their costs and fees with the Court not later than ten (10) days from the date this Order is entered on the docket. Defendants shall then have five (5) days in which to file any response. If a response is filed, Plaintiffs shall have an additional five (5) days from the date of that filing in which to file a reply.

Conclusion

For the reasons stated herein, Plaintiffs' Motion for Order to Show Cause [88] having been previously **GRANTED,** and the Court having found Defendants in contempt of the Court's previous orders, Defendants are assessed a fine of $1000.00 for this most recent contempt. This fine is in addition to the $20,000.00 in fines arising from Defendants' previous contempt. Further, Defendants shall pay to Plaintiffs $1500.00 as attorney's fees for the bringing of their motion. Plaintiffs' Motion for Sanctions [89] is **DENIED**. Plaintiffs' Motion for Summary Judgment [85] is **DENIED, in part,** and **GRANTED,**

in part. The Motion is denied as to the claim of trade dress infringement and granted as to the claim of trademark infringement. Plaintiffs are entitled to attorney's fees for the claim of trademark infringement claim and shall submit their statement of costs and fees as provided above.

SO ORDERED, this 7th day of September, 2007.

/s/
Richard W. Story
United States District Judge

United States Court of Appeals,
Eleventh Circuit.
WESTERN UNION HOLDINGS, INC., Western Union Financial Services, Inc., Intergrated Payment Systems, Inc., Plaintiffs-Counter-Defendants-Appellees,
v.
EASTERN UNION, INC., EU Financial Services, Inc., Young Choe, individually and d/b/a Check Cash Plus, Evian Group, Inc., Eric Young, Defendants-Counter-Claimants-Appellants.
No. 07-15379
Non-Argument Calendar.
June 20, 2008.

Jerome D. Lee, Hernan Taylor & Lee, Roswell, GA, for Defendants-Counter-Claimants-Appellants.

Patricia B. Cunningham, Troy Robert Covington, Sutherland Asbill & Brennan LLP, Atlanta, GA, for Plaintiffs-Counter-Defendants-Appellees.

Appeal from the United States District Court for the Northern District of Georgia. D.C. Docket No. 06-01408-CV-RWS-1.

Before CARNES, BARKETT and PRYOR, Circuit Judges.

PER CURIAM:

*1 Eastern Union, EU Financial Services, Young Choe, Evian Group, and Eric Young appeal the summary judgment in favor of Western Union. The district court concluded that Eastern Union

infringed the trademarks of Western Union. We affirm.

I. BACKGROUND

Western Union owned a number of registered trademarks for the "WESTERN UNION" mark depicted in a yellow block font on a black background associated with money transfer and money order services. Young Choe was the owner of Check Cash Plus, a Georgia corporation that offered money transfer services and sold money orders and travelers checks. Choe entered an agency contract with Western Union that allowed Choe to sell Western Union money transfer and money order services and to use the marks owned by Western Union at four stores of Check Cash Plus. Choe agreed not to sell any other money order products or services.

Choe was registered with the Secretary of State of Georgia as the president and chief executive officer of Eastern Union, a Georgia corporation that offered money transfer services, and as holding all corporate officer positions of EU Financial Services, a Georgia corporation that offered tax preparation and loan services. Choe was the registered agent for both corporations and accepted service for the corporations at the address of one of her Check Cash Plus stores. The same address was also listed with the Secretary of State as the principal office of EU Financial Services.

Five months after Choe contracted with Western Union, Eric Young filed a trademark application for the mark EASTERN UNION and listed himself as the chief executive officer of Eastern Union. Young stated on the application that the mark was associated with the issuance of travelers checks and services for payroll accounting and tax preparation. Check Cash Plus later advertised money orders, money transfers, and travelers checks under the name and mark EASTERN UNION. At one Check Cash Plus store and in a Check Cash Plus brochure, the EASTERN UNION mark was depicted in a yellow block font on a black background. When it learned that Check Cash Plus was selling products of Eastern Union, Western Union notified Choe that the sales violated the agency contract and demanded that Choe cease use of the EASTERN UNION marks and black and yellow trade dress.

When Choe did not respond to its demand, Western Union terminated the agency agreement and filed a complaint that Choe, Eastern Union, and Young had committed unfair trade practices in violation of the Lanham Act and Georgia law. 15 U.S.C. §§ 1114, 1125(a), 1125(c); Ga.Code Ann. §§ 10-1-371-73, 10-1-451(b), 23-2-55. Western Union alleged that the defendants had committed trademark and trade dress infringement by using the EASTERN UNION mark in combination with a yellow and black trade dress similar to that used by Western Union. Western Union sought to enjoin the defendants from using "any name, designation or mark containing the phrase EASTERN UNION or any other mark, word, designation, trade dress or name similar to the WESTERN UNION" marks.

*2 After a hearing, the district court entered a preliminary injunction that the defendants cease using the EASTERN UNION mark. The district court later held the defendants in contempt for failing to comply with the injunction but declined to impose sanctions for their use of the marks EU and E.U. The district court amended the preliminary injunction to bar defendants from using the marks EU and E.U. The district court later held the defendants in contempt for violating the amended preliminary injunction.

Western Union filed a motion for summary judgment. The district court denied the summary judgment for trade dress infringement, but granted summary judgment for trademark infringement. The district court concluded that Eastern Union used a mark "decidedly similar" to the mark owned by Western Union and there was a substantial likelihood of consumer confusion. The district court entered a permanent injunction prohibiting the use of the EASTERN UNION, EU, and E.U. marks.

II. STANDARDS OF REVIEW

We review summary judgment *de novo* and view the evidence in the light most favorable to the nonmoving party. *Alliance Metals, Inc. v. Hinely Industries, Inc.*, 222 F.3d 895, 897 (11th Cir.2000). Summary judgment should be entered when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c). We review the exclusion of an

affidavit of an undisclosed expert for abuse of discretion. *Cooper v. Southern Co.*, 390 F.3d 695, 728 (11th Cir.2004).

III. DISCUSSION

The defendants, to whom we will refer collectively as Eastern Union, argue that Western Union was not entitled to summary judgment for trademark infringement. Eastern Union argues that the district court erroneously applied the same legal standard as it used to evaluate the request for the preliminary injunction, overlooked genuine issues of material fact, and erroneously excluded an affidavit of an undisclosed expert. We disagree.

Western Union had to establish that its mark had priority and the mark used by Eastern Union was confusingly similar to the mark owned by Western Union so that it "created a likelihood of confusion among consumers as to the origin of goods sold." *Alliance*, 222 F.3d at 906. Eastern Union does not dispute the priority of Western Union to the trademark, but Eastern Union denies that there was a likelihood that consumers would confuse the WESTERN UNION and EASTERN UNION marks. We agree with the district court that there was no genuine issue of material fact regarding the likelihood of confusion between the WESTERN UNION and EASTERN UNION marks.

To resolve this controversy, the district court assessed seven factors: the strength of the mark; the similarity of the sales methods of the parties; the

similarity of the advertising methods used by the parties; the similarity of the two marks; the similarity of the products and services offered by the parties; the defendants' intent when using the mark; and actual confusion between the marks. *See Alliance*, 222 F.3d at 907. Eastern Union offered no evidence to create an issue of fact as to the first three factors. The evidence established that the Western Union mark was arbitrary and deserved strong protection; both parties marketed their products through small retail outlets targeted to reach the same group of consumers; and the parties employed the same advertising mediums. The district court also concluded that there was no genuine issue of material fact regarding the remaining factors. The marks WESTERN UNION and EASTERN UNION were patently similar in "appearance, sound and meaning ... as well as the manner in which they [were] displayed." *E. Remy Martin & Co., S.A. v. Shaw-Ross Int'l Imports, Inc.*, 756 F.2d 1525, 1531 (11th Cir.1985); *see, e.g., Frehling Enters., Inc. v. Int'l Select Group, Inc.*, 192 F.3d 1330, 1337 (11th Cir.1999). The parties also advertised virtually identical money order and money transfer services that customers could easily attribute to one source. *See Frehling*, 192 F.3d at 1338; *Remy Martin*, 756 F.2d at 1530.

*3 The undisputed familiarity of Eastern Union with the WESTERN UNION mark and its well-known affiliation with money transfer services, imitation of the WESTERN UNION mark, and repeated refusals to discontinue use of a mimetic mark established that Eastern Union intended to capitalize on the reputation and infringe on the

market created by Western Union. *See Frehling*, 192 F.3d at 1340 ("If it can be shown that a defendant adopted a plaintiff's mark with the intention of deriving a benefit from the plaintiff's business reputation, this fact alone may be enough to justify the inference that there is confusing similarity."). Although Western Union did not present evidence of actual customer confusion, the district court correctly concluded that proof of actual confusion was not required when the overwhelming evidence regarding the remaining factors supported a judgment in favor of Western Union. *See Montgomery v. Noga*, 168 F.3d 1282, 1302 (11th Cir.1999) (refusing to reverse a finding of a likelihood of confusion between marks "based merely on the absence of evidence of actual confusion"); *see also Frehling*, 192 F.3d at 1340 (evidence of actual confusion "is not a prerequisite, and thus it is up to individual courts to assess this factor in light of the particular facts of each case"). The district court did not err.

The district court also did not abuse its discretion when it excluded the affidavit of Jeffrey Shusterman. Eastern Union failed to disclose Shusterman as an expert and failed to provide an expert report during the discovery period as required by Federal Rule of Civil Procedure 26(a)(2) and Local Rule 26.2C. "Because the expert witness discovery rules are designed to allow both sides in a case to prepare their cases adequately and to prevent surprise, ... compliance with Rule 26 is not merely aspirational." *Cooper*, 390 F.3d at 728 (citation omitted).

IV. CONCLUSION

The summary judgment in favor of Western Union is **AFFIRMED**.

In the United States Court of Appeals
for the Eleventh Circuit
No. 07-15379

WESTERN UNION HOLDINGS, INC., Western Union Financial Services, Inc., Intergrated Payment Systems, Inc., Plaintiffs-Counter-Defendants-Appellees,

v.

EASTERN UNION, INC., EU Financial Services, Inc., Young Choe, individually and d/b/a Check Cash Plus, Evian Group, Inc., Eric Young, Defendants-Counter-Claimants-Appellants.

On Appeal from the United States District Court for the Northern District of Georgia

On Petition(s) for Rehearing and Petition(s) for Rehearing En Banc

Before: Carnes, Barkett and Pryor, Circuit Judges.

Per Curiam:

The Petition(s) for Rehearing are DENIED and no Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35, Federal Rules of Appellate Procedure), the Petition(s) for Rehearing En Banc are DENIED.

Entered for the Court: August 25, 2008
/s/
United States Circuit Judge

United States District Court,
N.D. Georgia,
Atlanta Division.
WESTERN UNION HOLDINGS, INC., Western Union Financial Services, Inc., and Integrated Payment Systems, Inc., Plaintiffs,
v.
EASTERN UNION, INC., EU Financial Services, Inc., Young Choe, Individually and d/b/a/ Check Cash Plus, Evian Group, Inc., and Eric Young, Defendants.
Civil Action No. 1:06-CV-01408-RWS.
Dec. 20, 2006.

ORDER

Now before the Court is Plaintiffs' Motion for Preliminary Injunction [21]. After considering the entire record, and the argument of counsel, the Court enters the following Order.

Background

Plaintiff Western Union Financial Services, Inc. offers financial services including but not limited to money transfer services, money order services, bill payment services, gift check services, electronic payment services, and printed money orders. Plaintiff Western Union Holdings, Inc. (collectively with Western Union Financial Services "Western Union") is the owner of a number of federal trademark and service mark registrations, applications, and common law marks for the "WESTERN UNION" word mark alone and/or in combination with other wording, and/or the "double bar" logo and design, and/or the yellow and black

trade dress (collectively the "WESTERN UNION Marks").

Defendant Choe is the owner of Check Cash Plus. Defendant Eastern Union is a Georgia Corporation which offers for sale money transfer services, money order services, and travelers checks. Defendant EU Financial Services is a Georgia Corporation which purportedly provides tax return advances/loans and tax preparation services. Choe is listed in the records on file with the Georgia Secretary of State as the President and Chief Executive Officer of Defendant Eastern Union, Inc., as the Chief Executive Officer, Chief Financial Officer, President, Vice President, Secretary, and Treasurer of Defendant EU Financial Services, Inc., and serves as the registered agent for both corporations. Defendant Young is a Georgia resident who filed at least two trademark applications with the United States Patent and Trademark Office ("USPTO") for the mark EASTERN UNION. Young is listed in that application as Eastern Union's Chief Executive Officer. The address listed with the Georgia Secretary of State for Choe as the registered agent of Eastern Union and EU Financial Services is identical to one of Choe's Check Cash Plus locations. The same address is listed with the Georgia Secretary of State as the principal office of EU Financial Services.

In January 2004, Defendant Choe d/b/a Check Cash Plus entered into a written agency agreement with Western Union North America, a unit of Western Union Financial Services, and Integrated Payment Systems, Inc. ("IPS"), under which Choe d/b/a Check Cash Plus was appointed an agent of

Western Union Financial and IPS to offer money transfer and money order services for a period of five years. Under the agency agreement, as amended, Choe d/b/a Check Cash Plus was granted a non-exclusive license to use the WESTERN UNION Marks for the purpose of advertising and promoting Western Union money transfer and money order services at four Check Cash Plus locations in the Atlanta area. Additionally, during the term of the agreement and for ninety days thereafter, Choe d/b/a/ Check Cash Plus agreed not to offer for sale any money order products or services other than those of Western Union.

On June 17, 2004, Young filed a trademark application on behalf of Eastern Union with the USPTO for the word mark EASTERN UNION for travelers check issuance, payroll accounting services, and tax preparation services. On February 27, 2006, Young filed a trademark application with the USPTO on behalf of Eastern Union for the word mark EASTERN UNION for banking services (collectively the "EASTERN UNION Marks").

At some point during the term of the agency agreement between Choe d/b/a Check Cash Plus and Western Union, Check Cash Plus began advertising and selling check cashing services, money order services, money transfer services, and travelers checks under the name and mark EASTERN UNION. In addition to the word mark EASTERN UNION, some of the signs placed at the Check Cash Plus locations depicted the EASTERN UNION

Marks in a yellow block font and black background.[1]

In the spring of 2006, Plaintiffs became aware that Choe was offering Eastern Union money order services, money transfer services, and travelers check services at the four Check Cash Plus locations in violation of the agency agreement. By letter dated May 12, 2006, Plaintiffs demanded that Choe cease and desist from using the EASTERN UNION Marks and the black and yellow trade dress in connection with these services. No response was received. As a result, on or about May 31, 2006, Plaintiffs terminated the agency agreement. Finally, in June 2006, Plaintiffs initiated this action, alleging that Defendants' use of the EASTERN UNION Marks in connection with the sale of money transfer, money order, and travelers check products and services violated the Lanham Act, as well as applicable state law. Plaintiffs have now moved for preliminary injunctive relief, and the Court turns to the question of whether such relief would be appropriate in this case.

Discussion

I. Preliminary Injunction Standard

A preliminary injunction is an "extraordinary and drastic remedy[.]" Zardui-Quintana v. Richard, 768 F.2d 1213, 1216 (11th Cir. 1985). To obtain such relief, a movant must demonstrate:

(1) a substantial likelihood of success on the

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[1] Defendants have stated to the Court that they have voluntarily ceased using the yellow and black color scheme.

> merits of the underlying case, (2) the movant will suffer irreparable harm in the absence of an injunction, (3) the harm suffered by the movant in the absence of an injunction would exceed the harm suffered by the opposing party if the injunction issued, and (4) an injunction would not disserve the public interest.

Johnson & Johnson Vision Care, Inc. v. 1-800 Contacts, Inc., 299 F.3d 1242, 1246-47 (11th Cir. 2002). To determine whether Plaintiffs have met their burden in this case, the Court begins by examining the substantive law applicable to this controversy and evaluating Plaintiffs' likelihood of success in light of that authority.

II. Substantial Likelihood of Success

A. Trademark Infringement

Plaintiffs contend that Defendants infringe the WESTERN UNION Marks by advertising and/or offering for sale various financial services and products, including check cashing services, money orders, money transfers, gift checks, and travelers checks under the EASTERN UNION Marks.

Under the Lanham Act, a defendant is liable for infringement, if, without consent, he uses "in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark" which "is likely to cause confusion, or to cause mistake, or to deceive." 15 U.S.C. § 1114(1)(a). "To prevail on a trademark infringement claim, a plaintiff must show (1) that its mark has priority and (2) that the defendant's mark is likely to cause consumer

confusion." Carnival Brand Seafood Co. v. Carnival Brands, Inc., 87 F.3d 1307, 1309 (11th Cir. 1999). The parties do not dispute the priority of the WESTERN UNION Marks. As such, the Court turns first to Defendant's argument that Plaintiffs' Lanham Act claims fail because Defendant's use of the Western Union Marks was permissive, and second, to the question of whether use of Defendants' marks is likely to cause confusion.

1. Defendants' license to use the Western Union Marks

In defense of Plaintiffs' motion, Defendants raise the argument that Plaintiffs' claims of trademark infringement and dilution fail as a matter of law because Defendants were granted a license to use the WESTERN UNION Marks. (See Br. in Opp'n to Mot. for Prelim. Inj. [44] at 14-16.) Without question, the agency agreement granted a license to use the WESTERN UNION Marks for the purpose of advertising and promoting Western Union Money Transfer and Western Union Money Order services. (See Dragovich Decl. Ex. A § 4.3.) That agreement, however, provided no license to use the EASTERN UNION Marks in connection with the same or similar services. As Defendants seek relief on the grounds that the use of the EASTERN UNION Marks infringed, diluted, and tarnished the WESTERN UNION Marks, Defendants' argument that the license agreement precludes relief under the Lanham Act is without merit.

2. Likelihood of confusion

To determine likelihood of confusion, courts in

the Eleventh Circuit look to seven factors:

> (1) the strength of the plaintiff's mark; (2) the similarity between the plaintiff's mark and the allegedly infringing mark; (3) the similarity between the products and services offered by the plaintiff and defendant; (4) the similarity of the sales method; (5) the similarity of advertising methods; (6) the defendant's intent, e.g., does the defendant hope to gain competitive advantage by associating his product with the plaintiff's established mark; and (7) actual confusion.

Alliance Metals, Inc. v. Hinely Indus., Inc., 222 F.3d 895, 907 (11th Cir. 2000). The Court addresses each in turn.

a. Strength of the mark

In assessing Plaintiffs' likelihood of success, the first factor the Court must consider is the strength of the mark. "The stronger the mark, the greater the scope of protection accorded it, the weaker the mark, the less trademark protection it receives." Frehling Enters., Inc. v. Int'l Select Group, Inc., 192 F.3d 1330, 1335 (11th Cir. 1999). "The primary indicator of trademark strength measures the logical correlation between a name and a product." Freedom Sav. and Loan Ass'n v. Way, 757 F.2d 1176, 1182 (11th Cir. 1985). "The relationships between names and products fall into several classifications, each one more heavily protected than the last: generic, descriptive, suggestive, arbitrary or fanciful, and coined." Id. "The categories are based on the relationship

between the name and the service or good it describes." Frehling, 192 F.3d at 1335.

> Generic marks are the weakest and not entitled to protection-they refer to a class of which an individual service is a member (e.g., "liquor store" used in connection with the sale of liquor). Descriptive marks describe a characteristic or quality of an article or service (e.g., "vision center" denoting a place where glasses are sold). Suggestive terms suggest characteristics of the goods and services and require an effort of the imagination by the consumer in order to be understood as descriptive. For instance, "penguin" would be suggestive of refrigerators. An arbitrary mark is a word or phrase that bears no relationship to the product (e.g., "Sun Bank" is arbitrary when applied to banking services). Arbitrary marks are the strongest of the four categories.

Id. (internal citations and quotations omitted).

In this case, Plaintiffs contend that the WESTERN UNION Marks are arbitrary and entitled to broad protection. Defendants offer no argument on this point. While the Court recognizes that both words individually are commonly used, and as Defendants point out in an unrelated argument, the word "union" has been employed by companies offering different financial services (e.g., First Union, Trans Union), the phrase "Western Union" has achieved broad recognition. The mark is distinctive and well-known as it relates to the transfer of funds, issuance of money orders, and other financial services offered by Plaintiffs. Cf. Amstar Corp. v.

Domino's Pizza, Inc., 615 F.2d 252, 260 (5th Cir. 1980) (recognizing "Domino" as famous in connection with sugar and related products, and explaining that third-party uses and registrations of words in a mark merely limit the protection to be accorded outside of the uses to which plaintiff has already put its mark). Finally, the phrase "Western Union" bears no connection with those goods or services. Accordingly, the Court considers the Western Union Marks to be arbitrary, and this factor weighs in favor of Plaintiffs.

b. Similarity between the marks

The second factor the Court must consider is the similarity between the plaintiff's mark and that of the alleged infringer. In evaluating the similarity of marks, the Court must consider "the overall impression created by the marks, including a comparison of the appearance, sound and meaning of the marks, as well as the manner in which they are displayed." E. Remy Martin & Co., S.A. v. Shaw-Ross Intern. Imports, Inc., 756 F.2d 1525, 1531 (11th Cir. 1985). "The underlying purpose in considering the similarity of marks as an indicator of likelihood of confusion is that the closer the marks are, the more likely reasonable consumers will mistake the source of the product that each mark represents. The probability of this potential confusion is the touchstone." Frehling, 192 F.3d at 1337.

Plaintiffs contend that the marks at issue in this case are extremely similar. In support of this position, Plaintiffs point to the fact that only the first two letters of the first word are different, the second word is identical, the first words of both marks are

"directional indicators" which each end in the same five letters, and that Defendants have displayed their mark in yellow block font on a black background which is virtually identical to the trade dress utilized by Plaintiffs.[2] In response, Defendants argue that the marks are not literally similar, that the words "Eastern" and "Western" stand[] in direct opposition to the other, i.e., 'Eastern' is the opposite of 'Western'." (Resp. in Opp'n at 17.)

In the Court's opinion, the marks at issue in this case are similar. Certainly, Defendants are correct in that the marks are not identical. But, as explained above, it is "the overall impression created by the marks, including a comparison of the appearance, sound and meaning of the marks, as well as the manner in which they are displayed," that governs this inquiry. When the marks are compared in this manner, the Court can but only

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[2] In addition, Plaintiffs cite Federal Circuit authority for the proposition that a lesser degree of similarity is required when the plaintiff's mark is famous. (Br. in Supp. of Mot. for Prelim. Inj. [31] at 23, 24-25.) But, the fame of the mark in question is an express factor the Federal Circuit relies upon in determining whether a likelihood of confusion exists. See, e.g., Century 21 Real Estate Corp. v. Century Life of Am., 970 F.2d 874, 877 (1992) ("This court has acknowledged that fame of the prior mark . . . 'plays a dominant role in cases featuring a famous or strong mark.' " (quoting Kenner Parker Toys v. Rose Art Indus., 963 F.2d 350, 352 (Fed. Cir. 1992))). The Eleventh Circuit, however, has not adopted this factor in its likelihood of confusion analysis, and as such, the Court declines to rely on the fame of the Western Union Marks in making a finding of similarity.

conclude that the marks are exceeding similar. Each mark consists of two words, differing only by two letters. While they differ in some degree aurally, the overall impression created by attaching a directional indicator to the word "union" is remarkable. Moreover, while not determinative, the possibility that the marks are confusingly similar is multiplied by the manner in which Defendants chose to display their marks, electing to use identical lettering and colors. Although Defendants claim to have abandoned the black and yellow color scheme, apparently in response to this litigation, the Court finds the initial (and possible future) similarity in appearance significant. Finally, as is discussed below, the marks are used in the sale of identical products and services. While the similarity between the products and services constitutes a separate factor in the likelihood of confusion inquiry, the Court is of the view that the similarity required for this factor to tilt in Plaintiffs' favor is somewhat reduced where the marks in question are used in an identical manner for identical services.

In sum, while the marks do differ, the Court finds the marks to be sufficiently similar for this factor to weigh in favor of Plaintiffs.

c. Similarity between the products and services

The third factor the Court must consider is the similarity between the products and services offered by the plaintiff and the defendant. "This factor requires a determination as to whether the products are the kind that the public attributes to a single source." Frehling, 192 F.3d at 1338. The issue is not whether or not the purchasing public can readily

distinguish between the products of the respective parties, but rather whether the products are so related in the minds of consumers that they get the sense that a single producer is likely to produce both. Id.

In this case, the Court concludes that Plaintiffs and Defendants offer virtually identical products and services. Plaintiffs offer money transfer services and money orders under the WESTERN UNION Mark; Defendants offer money transfer services and money orders under the EASTERN UNION Mark.

The Court is unconvinced by Defendants' arguments to the contrary. First, insofar as Defendants contend that their money transfer services differ from those of Western Union because Defendants offer only bank wire transfers, while Western Union "is synonymous with . . . near real time, point to point money transfers," the facts show that Western Union offers bank wire services identical to those of Defendants. Moreover, even if it were true that Defendants offered only bank wires, while Plaintiffs offered some other form of money transfer service, that fact would not preclude a finding that the services were more than sufficiently related to tilt this factor heavily in Plaintiffs' favor. See E. Remy Martin & Co., 756 F.2d at 1530 (reversing district court's conclusion that wine and cognac were not related, explaining that the purchasing public can readily distinguish wine from cognac but the question is whether the products are the kind the public attributes to a single source). Certainly, even if the purchasing public could discern between bank wires and the point-to-point transfer

services Defendants contend are offered by Plaintiffs, those services are of the type that consumers would likely attribute to a single source.

Second, insofar as Defendants argue that Eastern Union only provides international money transfers to Korean clients in the form of bank wires to and from South Korean banks, that contention is unsupported by any evidence, and indeed, contrary to the evidence before this Court. For example, Defendants' website purports to offer domestic and international money transfer services. (See Cunningham Decl. Ex. I [30-7] at 2.)

Finally, the Court finds Defendants' argument that the products are substantially different because Eastern Union offers travelers checks for sale, while Western Union does not, unpersuasive. As an initial matter, like the wine and cognac at issue in E. Remy Martin, travelers checks are so closely related to the myriad financial services offered by Plaintiffs that travelers checks are the type of financial service that consumers would reasonably expect to originate with Plaintiffs. What is more, the product offered on Defendants' website is denominated "Travelers Cheque / Gift Cheque". (Cunningham Decl. [30] Ex. I at 2.) Western Union offers gift check services. (See Norden Decl. [33] ¶ 2.) Thus, contrary to Defendants' arguments, on the record before this Court there is a high degree of similarity between the products and services offered.

d. Similarity of the sales method

The fourth factor the Court must consider is the similarity between the sales methods employed

by the plaintiff and defendant. "This factor takes into consideration where, how, and to whom the parties' products are sold." Frehling, 192 F.3d at 1339. As related to this inquiry, "[d]issimilarities between the retail outlets for and the predominant customers of plaintiff's and defendant's goods lessen the possibility of confusion, mistake, or deception." Id. (quoting Amstar Corp. v. Domino's Pizza, Inc., 615 F.2d 252, 262 (5th Cir. 1980)). While direct competition between the parties is not required, "evidence that the products are sold in the same stores is certainly strong." Id. Moreover, the parties' outlets and customer bases need not be identical, but some degree of overlap should be present. Id.

In this case, the retail outlets and predominate customers for the products and services offered by Plaintiffs and Defendants are virtually identical. Both offer their money transfer and money order services through small, independently-owned check cashing stores. Indeed, Defendant Choe d/b/a Check Cash Plus was an authorized agent of Western Union and simultaneously offered both Eastern Union and Western Union money transfer and money order services out of the same establishments. Moreover, in light of the geographic overlap in the relevant markets, and the fact that the Court has been presented with no credible evidence that the relevant consumer group differs, the Court's conclusion that the products and services offered are identical compels the conclusion that the predominant consumers of Plaintiffs and Defendants' products are the same. Therefore, the Court must conclude that this factor similarly weighs heavily in Plaintiffs' favor.

e. Similarity of advertising methods

"This factor looks to each party's method of advertising." Id. In this case, both parties advertise their products through internet websites, through signage posted in retail locations, and brochures distributed at those locations. (See Foster Decl. [35] Exs. A, E, F, H, Q; Cunningham Decl. [30] Exs. I, M, O, P.) Thus, this factor similarly weighs in Plaintiffs' favor.

f. Intent

"That a latecomer adopts another's name or mark, deliberately seeking to capitalize on the other's reputation and benefit from the confusion, is an important factor for any court." Sun Banks of Fla., Inc. v. Sun Fed. Sav. and Loan Ass'n, 651 F.2d 311, 318-19 (11th Cir. 1981). Indeed, "[i]f it can be shown that a defendant adopted a plaintiff's mark with the intention of deriving a benefit from the plaintiff's business reputation, this fact alone may be enough to justify the inference that there is confusing similarity." Frehling, 192 F.3d 1340.

In this case, Defendant Choe was an authorized agent for Western Union. As such, Choe was granted a non-exclusive license to use the WESTERN UNION Marks in connection with the sale of Western Union products in the four Check Cash Plus locations. During the period of that agency, and in direct contravention of the agency agreement between Choe and Western Union, Choe began to offer for sale money transfer and money order services under the EASTERN UNION Marks. Thus, it is beyond dispute that Choe was aware of

the use of the WESTERN UNION Marks in connection with these services. Moreover, it is apparent that from the outset, Choe and Eastern Union adopted a black and yellow, block-lettered design which was, at the least, remarkably similar to the trade dress employed in connection with the WESTERN UNION Marks. As there is no evidence in the record to the contrary[3], from this the Court can only conclude that Defendants used the EASTERN UNION Marks in connection with money transfer and money order services in an attempt to derive benefit from the well-established services and products offered by Western Union. Accordingly, this factor, as has each of the preceding ones, militates strongly in favor of finding a likelihood of confusion.

g. Actual confusion

The final factor the Court must consider is any evidence of actual confusion. "It is undisputed that evidence of actual confusion is the best evidence of a likelihood of confusion." Frehling, 192 F.3d at 1340. But, such evidence is not a prerequisite. Id.; Domino's Pizza, 615 F.2d at 263 ("Although evidence of actual confusion is not necessary to a finding of likelihood of confusion, it is nevertheless the best

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[3] No Defendant offered testimony at the preliminary injunction hearing. As such, the only evidence in the record in opposition to Plaintiffs' Motion is the purported affidavit of Eric Young. (Dkt. No. [45].) That "affidavit," however, is facially defective as it is neither signed by the affiant nor notarized, and as such, the Court declines to consider the statements therein in resolving this matter.

evidence of likelihood of confusion."). "Instead, actual confusion is merely one of several factors that may be relevant in analyzing whether there is a likelihood of confusion between two marks," Montgomery v. Noga, 168 F.3d 1282, 1302 (11th Cir. 1999), and courts must assess this factor in light of the particular facts of each case. Frehling, 192 F.3d at 1340.

In this case, the parties have submitted only minimal evidence on the issue of actual confusion. Plaintiffs' evidence in this regard consists entirely of the declaration of Carla Foster, a paralegal employed by Plaintiffs' counsel. She states that while she was inside a Check Cash Plus establishment purchasing a money order, she "heard another customer ask the clerk, 'Who will be handling my money transfer, Western Union or Eastern Union?' " (Foster Decl. [35] at ¶ 3.) Defendants, for their part, have submitted a "preliminary survey" conducted by Defendants' counsel.

In the Court's view, the evidence submitted by the parties is not significantly probative, if it is probative at all, on the issue of actual confusion. With respect to Plaintiffs' evidence, the single statement of a patron is of little value, and if anything tends to show an absence of confusion, as the customer apparently was able to distinguish between the two money transfer service providers. With respect to Defendants' evidence, the Court finds that survey, which was designed and conducted by Defendants' counsel, contained flaws in

methodology[4], and which had a sample size of less than thirty, to be similarly unpersuasive.

That being said, the law is clear that Plaintiff need not establish actual confusion in order to make a sufficient showing of likelihood of confusion. Because each of the other six factors weighs so heavily in Plaintiffs' favor, the Court concludes that Plaintiffs have demonstrated a sufficient likelihood of confusion to establish a substantial likelihood of success on the merits of their trademark infringement claim.

III. Irreparable Harm

"[T]rademark actions 'are common venues for the issuance of preliminary injunctions.' " McDonald's Corp. v. Robertson, 147 F.3d 1301, 1310 (11th Cir. 1998) (quoting Foxworthy v. Custom Tees, Inc., 879 F. Supp. 1200, 1219 (N.D. Ga. 1995)).

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[4] For example, Defendants argued at the preliminary injunction hearing that the relevant consumer group constitutes a "shadow market"—that is, to say, the market is comprised of individuals who, by virtue of their economic status, language barriers, etc., are difficult to accurately target with traditional survey methods. More specifically, Defendants argued that their relevant market consisted of Korean immigrants who do not possess a bank account. However, Defendants conducted their survey at a free Latin music concert—a place which the Court would not expect to find the Korean immigrants Defendants claim utilize their services. Moreover, approximately half of the less than thirty individuals surveyed did in fact have a bank account. Thus, if Defendants are correct about their relevant market, it does not appear to the Court that individuals in that market were actually surveyed.

Indeed, "[w]hen a plaintiff makes a prima facie showing of trademark infringement, irreparable harm is ordinarily presumed." Foxworthy, 879 F. Supp. at 1219; see also E. Remy Martin, 756 F.2d at 1530 ("a sufficiently strong showing of likelihood of confusion may by itself constitute a showing of substantial likelihood of prevailing on the merits and/or a substantial threat of irreparable harm"); Genesee Brewing Co. v. Stroh Brewing Co., 124 F.3d 137, 142 (2d Cir. 1997) ("a showing of likelihood of confusion . . . establishes irreparable harm"); Abbott Labs. v. Mead Johnson & Co., 971 F.2d 6, 16 (7th Cir. 1992) (recognizing the "well-established presumption that injuries arising from Lanham Act violations are irreparable, even absent a showing of business loss").

On the issue of irreparable harm, Defendants argue almost exclusively that Plaintiffs' delay in seeking injunctive relief negates any presumption that irreparable harm will result. As it relates to this issue, Defendants contend that Plaintiffs had knowledge of their use of the EASTERN UNION Marks as early as June of 2004 when they filed their trademark application with the USPTO. Additionally, Defendants argue that because employees of Western Union regularly monitored the business establishments of its agents, Plaintiffs should have known of Defendants' use of the EASTERN UNION Marks by the fall of 2004.

Defendants are certainly correct that delay in seeking preliminary injunctive relief has been held sufficient to preclude preliminary injunctive relief. See, e.g., Citibank, N.A. v. Citytrust, 756 F.2d 273, 276 (2d Cir. 1985) ("Significant delay in applying for

injunctive relief in a trademark case tends to neutralize any presumption that infringement alone will cause irreparable harm pending trial, and such delay alone may justify denial of a preliminary injunction for trademark infringement."). In the context of this case, however, the Court finds both arguments unpersuasive. First, Defendants cite no authority for the proposition that the mere filing of an intent-to-use application constitutes constructive notice, and indeed, the law appears otherwise. See 15 U.S.C. § 1072 ("Registration of a mark on the principal register . . . shall be constructive notice of the registrant's claim of ownership thereof."). Moreover, it appears that the EASTERN UNION Mark to which Defendants refer was not published in the Official Gazette until January of this year. (Lyons Decl. ¶ 3.) Finally, where, as here, Defendants filed an intent-to-use application, that application in no way provides notice to Plaintiffs that the marks are currently being used in commerce, and as such, the Court declines to charge Plaintiffs with knowledge of their use. Thus, it appears from the record before this Court that Plaintiffs had constructive knowledge of Defendants intent to use the EASTERN UNION Marks only as early as January 2006. Second, it does not appear that the low-level employees who monitored Defendants establishments had any responsibility for reporting potential trademark infringement.

> A corporation is not charged with notice if business dealings with defendant were conducted by lower echelon employees who had no duty to report instances of trademark infringement. . . . In order to impute an

> agent's knowledge to a principal, it must be shown that the agent had duties with respect to trademark matters, although the agent need not have acquired his knowledge in connection with those duties.

McCarthy on Trademarks and Unfair Competition § 31:39 (4th ed.).

Contrary to Defendants' assertions, the record shows that Plaintiffs acted in a reasonably diligent manner in protecting their trademark rights. In the spring of 2006, Plaintiffs learned that the owner of the application for the EASTERN UNION Marks was affiliated with Defendant Choe, their authorized agent. Plaintiffs took steps to investigate and, shortly thereafter, in April to early May of 2006, obtained photographs demonstrating that Defendant Choe was using the EASTERN UNION Marks in connection with money transfer and money order services. Plaintiffs filed a Notice of Opposition in the USPTO on May 3, 2006, sent a cease and desist letter on May 12, 2006, and filed this action thirty days later, on June 12, 2006. On these facts, the Court declines to conclude that the delay preceding Plaintiffs' initiation of this action is sufficient to preclude a grant of preliminary injunctive relief. Moreover, in view of the substantial showing of likelihood of success on the merits, the Court declines to limit the availability of preliminary injunctive relief. Cf. Kason Industries, Inc. v. Component Hardware Group, Inc., 120 F.3d 1199, 1207 (11th Cir. 1997) (explaining that "if the likelihood of confusion is inevitable, or so strong as to outweigh the effect of the plaintiff's delay in bringing a suit, a court may in its discretion grant injunctive

relief," citing Restatement (Third) of Unfair Competition § 31, cmt. e (1995): "[B]ecause of the public interest in preventing the deception of consumers, delay by the trademark owner will not ordinarily disable it from obtaining an injunction if there is strong evidence of likely or actual confusion.").

In sum, Plaintiffs have made a strong showing that they are likely to succeed on the merits of their trademark infringement claim. Finding no delay sufficient to preclude preliminary injunctive relief, the Court concludes that they are entitled to a presumption of irreparable harm in this case.[5]

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[5] Plaintiffs also seek relief on a tarnishment theory. While the Court need not address the merits of that claim because Plaintiffs are entitled to injunctive relief on their trademark infringement claim, one aspect of tarnishment, in the Court's view, is relevant to the irreparable harm inquiry. "[T]arnishing occurs when a junior mark's similarity to a famous mark causes consumers mistakenly to associate the famous mark with the defendant's inferior or offensive product." Eli Lilly & Co. v. Natural Answers, 233 F.3d 456, 466 (7th Cir. 2000). Similarly, a trademark infringement plaintiff may show irreparable harm by showing that it will lose control over the reputation of its mark pending trial. McDonald's, 147 F.3d 1310 (citing Power Test Petroleum Distribs. v. Calcu Gas, 754 F.2d 91, 95 (2d Cir. 1985)). In this case, Western Union charges a service charge on all money orders not presented for payment within three years in the amount of $0.25 per month. (Cowell Second Decl. [48-3] ¶ 3.) In contrast, Eastern Union imposes a service charge of $28.00 per month if a money order is not presented for payment in six months. (Lyons Decl. [48-2] ¶¶ 10-11.) In the Court's view, the possibility that such exorbitant fees might be linked in the minds of consumers

IV. Balance of the Harms

The balance of the harms in this case favors Plaintiffs. First, the WESTERN UNION Marks have been in use for a significant period of time, while Defendants use of the EASTERN UNION Marks began recently. Second, Defendants adopted the EASTERN UNION Marks with full knowledge of the WESTERN UNION Marks and with an apparent eye toward capitalizing on the good will of Plaintiffs. Where that is the case, the Court will not hear Defendants complain that they would suffer substantial hardship if they are forced to cease their infringing activity. "There is ample support for the proposition that a second user of a mark has a duty to avoid confusion with a first user's mark." SunAmerica Corp. v. Sun Life Assur. Co., 77 F.3d 1325, 1345 (11th Cir. 1996). Having adopted the EASTERN UNION Mark with full knowledge of the WESTERN UNION Marks, Defendants "cannot now complain that having to mend its ways will be too expensive." Ty, Inc. v. Jones Group, Inc., 237 F.3d 891, 903 (7th Cir. 2001). Third, insofar as Defendants argue that they have invested millions of dollars into the development of their business enterprise, the only factual support for that assertion comes from the unsigned, unnotarized "affidavit" of Defendant Young, and the Court declines to credit that filing. Fourth, as noted above, Defendants have elected to adopt what is at best an unsavory business practice with respect to the fees charged for their money order services. Where there is the possibility

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to Plaintiffs' Marks also counsels in favor of finding irreparable harm.

that this business practice, which stands in stark contrast to the practices of Plaintiffs, might be imputed to Plaintiffs through confusion in the marketplace and thereby damage their reputation and goodwill, the balance of the hardships tilts even more strongly in Plaintiffs' favor.

V. Public Interest

In the trademark infringement context, it is well-established that "the public interest is served by preventing consumer confusion in the marketplace." Davidoff & CIE, S.A. v. PLD Intern. Corp., 263 F.3d 1297, 1304 (11th Cir. 2001); see also S & R Corp. v. Jiffy Lube Intern., Inc., 968 F.2d 371, 379 (3d Cir. 1992) ("In a trademark case, the public interest is most often a synonym for the right of the public not to be deceived or confused." (internal quotation omitted). In this case, Plaintiffs have demonstrated likelihood of confusion. Accordingly, the public's interest in avoiding confusion in the relevant market will be best served by enjoining use of the mark causing that confusion.

Finally, the Court addresses one point raised by Defendants. Specifically, Defendants argue that Plaintiffs have been investigated for anti-competitive behavior, and that granting injunctive relief in this case would harm the public interest because it would have the effect of curtailing competition. But, this argument is fundamentally flawed: Competition in the marketplace serves the public interest; confusion in the marketplace does not. In this case, the public interest is served by eliminating the confusion that is likely to result from Defendants' use of the EASTERN UNION Marks, while allowing

Defendants to remain free to compete using any other non-infringing mark.

VII. Injunction

In conclusion, Plaintiffs have demonstrated a substantial likelihood of success on the merits on their trademark infringement claim, that Plaintiffs will suffer irreparable harm in the absence of an injunction, that the harm suffered by Plaintiffs in the absence of an injunction would exceed the harm suffered by Defendants, and that issuance of the injunction would not disserve the public interest. Accordingly, the Court concludes that preliminary injunctive relief is appropriate and Plaintiffs' Motion for Preliminary Injunction is hereby **GRANTED**. Plaintiffs are hereby **DIRECTED** to submit to the Court a proposed order setting out the proposed terms of the injunction not later than twenty (20) days from the date this Order is entered on the docket. Defendants shall then have five (5) days to file any objections to Plaintiffs' proposed order.

Conclusion

For the foregoing reasons, Plaintiffs' Motion for Preliminary Injunction [21] is **GRANTED**. Plaintiffs are hereby **DIRECTED** to file a proposed order setting out the proposed terms not later than twenty (20) days from the date this Order is entered on the docket. Defendants shall then have five (5) days to file any objections to Plaintiffs' proposed order.

SO ORDERED, this 20th day of December, 2006.

/s/
Richard W. Story
United States District Judge